

**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, September 19, 2024
12:00 PM**

**HACA Central Office, 1124 S. Interstate Highway 35
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
HACA Central Office, 1124 S. Interstate Highway 35
Austin, TX
(512.477.4488)**

**Thursday, September 19, 2024
12:00 PM**

CALL TO ORDER, ROLL CALL

CERTIFICATION OF QUORUM

Pledge of Allegiance

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

Citywide Advisory Board Update

Employee of the Quarter

CONSENT AGENDA

Items on the Consent Agenda may be removed at the request of any Commissioner and considered at another appropriate time on this agenda. Placement on the Consent Agenda does not limit the possibility of any presentation, discussion, or action at this meeting. Under no circumstances does the Consent Agenda alter any requirements under Chapter 551 of the Texas Government Code, Texas Open Meetings Act.

CONSENT ITEMS

1. Presentation, Discussion, and Possible Action regarding the Approval of the Board Minutes Summary for the Board Meeting held on August 15, 2024

ACTION ITEMS

2. Presentation, Discussion, and Possible Action on Resolution No. 02861 by the Board of Commissioners of the Housing Authority of the City of Austin (the "Authority") to take the following actions with regard to the Bridge at Austin City Lights (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
3. Presentation, Discussion and Possible Action regarding Resolution No. 02862: Approval of the adoption of the revised Housing Choice Voucher Program's Payment Standards
4. Presentation, Discussion, and Possible Action regarding Resolution No. 02863 awarding a contract for cybersecurity services to Solis Security

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:

- The Board will receive program updates from the President/CEO and other senior staff.

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.

*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.

MEETING DATE: September 19, 2024

STAFF CONTACT: Nidia Hiroms, Executive Assistant

ITEM TITLE: Presentation, Discussion, and Possible Action regarding the Approval of the Board Minutes Summary for the Board Meeting held on August 15, 2024

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 August 15, 2024.

ATTACHMENTS:

- ▣ **20240815 HACA Minutes Summary**

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

August 15, 2024

SUMMARY OF MINUTES

THE HOUSING AUTHORITY OF THE CITY OF AUSTIN (HACA) BOARD OF COMMISSIONERS REGULAR BOARD MEETING NOTICE WAS POSTED FOR 1:00 PM ON THURSDAY, AUGUST 15, 2024, AND WAS HELD AT THE HACA CENTRAL OFFICE, 1124 S. INTERSTATE HIGHWAY 35 AUSTIN, TX AND VIRTUALLY

CALL TO ORDER, ROLL CALL, CERTIFICATION OF QUORUM

Carl S. Richie, Jr., HACA Chairperson called the Board of Commissioners Regular Board Meeting of the Housing Authority of the City of Austin, of August 15, 2024, to order at 1:14 pm. The meeting was held at the HACA Central Office, 1124 S. Interstate Highway 35, Austin, TX and virtually

Roll call certified a quorum was present on the call.

MEMBERS PRESENT:

Carl S. Richie, Jr., Chairperson
Chuck Bailey, Vice-Chairperson
Edwina Carrington, Commissioner
Mary Apostolou, 2nd Vice-Chairperson
Dr. Tyra Duncan-Hall, Commissioner - via Zoom

MEMBER(S) ABSENT:

ALSO IN ATTENDANCE:

Sarah Scott, Coats Rose

STAFF PRESENT:

Barbara Chen, Jorge Vazquez, Keith Swenson, Kelly Crawford, Leilani Lim-Villegas, Lisa Garcia, Michael Gerber, Michael Roth, Nidia Hiroms, Ron Kowal, Stephen Wolf, Suzanne Schwertner and Sylvia Blanco

PUBLIC COMMUNICATION - (3 minute time limit)

Public communication was opened during each item on the agenda. No one provided any additional communication during any of the items.

Yvette Lopez Carpintero provided testimony to appeal for additional assistance with her Section 8 voucher.

CITYWIDE ADVISORY BOARD (CWAB) – Lupe Garcia, CWAB President, reported that the July CWAB Meeting was held on Tuesday, July 9th. •**Michael Roth**, HACA Vice President of Pathways of Asset Management, announced that Rent Café for Coronado Hills and Gaston Place will go live later in July with flyers going out now. Rent Café will streamline communication with managers; especially for work orders and online rental payments. •**Leilani Lim-Villegas**, HACA Senior Director of Community Development, announced that the HACA Scholarship ceremony is scheduled for July 26 at 11 am at the UT Charter Elementary School. There will be 36 scholars, which is 11 more than last year. •**Leilani** announced that the Youth Incentive trip to Pinstack is scheduled for August 8, with approximately 100 students who achieved year-round A/B Honor Roll and Perfect Attendance. •**Leilani** reported that there are no CWAB and Resident Council meetings scheduled for August. •**Abby Bettini**, HACA Youth Services, reported that back-to-school distributions are scheduled for the week of August 12, with Bouldin, in conjunction with another event, having distribution on August 6. •**Murphy Roland**, HACA Workforce Development Manager, announced training opportunities in medical office professionals and accounting classes are free through EdOp Solutions. •**Borami Lee**, HACA Health & Wellness Manager, reported that the CVS Project Health mobile clinic will be at Chalmers on July 23 from 1-5 pm to provide free resources, as well as, basic health screenings. •**Catherine Crago**, HACA Head of Strategic Initiatives, announced that staff is at Gaston to connect with residents to assess their needs in preparation for rolling out the Rent Café and will be going to Coronado as well. RentCafé is not going to be mandatory but paying online makes it easier by having the ability to pay through your bank account, use a debit card, or a credit card. **Daniel Ruiz**, Homeownership, announced that currently two families are pre-qualified for Prospect Heights and several families are in the process of getting pre-qualified. Twenty-two families have been referred to Habitat for Humanity and 9 are being considered on their journey to homeownership.

CONSENT ITEMS

APPROVAL OF THE FOLLOWING ITEMS PRESENTED IN THE BOARD MATERIALS

ITEM 1: Presentation, Discussion, and Possible Action regarding the Approval of the Board Minutes Summary for the Board Meeting held on June 20, 2024

2nd Vice-Chairperson Apostolou moved the Approval of the Board Minutes Summary for the Board Meeting held on June 20, 2024. **Commissioner Carrington** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

ACTION ITEMS

APPROVAL OF THE FOLLOWING ITEMS PRESENTED IN THE BOARD MATERIALS

ITEM 2: Presentation, Discussion, and Possible Action Regarding Resolution No. 02854: Approval of Contract Renewal for Family Eldercare to continue to provide resident services coordination to elderly and disabled adults at Lakeside, Salina, North Loop, and Gaston Place, and one Floating Service Coordinator for HACA family properties

The Board was requested to approve a five-year contract with an annual 3% cost of living adjustment for Family Eldercare to continue providing resident coordination services.

HACA has contracted with Family Eldercare since 2009. Family Eldercare provides the necessary expertise to address elderly and disabled issues with HACA residents, including mental health and aging in place activities. Family Eldercare has consistently met or exceeded their contract outcomes each year. The strategy to request a 5-year extension is to ensure that Austin Pathways can forecast the necessary budget and to secure elderly services on a long-term basis. Family Eldercare was awarded through the Request for Proposal Process in 2009, and was approved and designated by HUD to be a sole source provider.

Family Eldercare is required to renew their contract on an annual basis to continue to provide resident services coordination to elderly and disabled adults at Lakeside, Salina, North Loop, and Gaston Place. Updated contract has additional COVID-19 protocols.

Staff recommended that Family Eldercare be awarded a five-year contract renewal to provide service coordination to elderly and disabled adults at Lakeside, Salina, North Loop, and Gaston Place, and one Floating Service Coordinator for HACA family properties. A 3 percent cost of living adjustment will be applied with each annual renewal.

Family Eldercare staff, **Joyce Hefner**, Director of Housing and Community Services and **Emily Habermehl**, Service Coordinator Manager for HACA properties gave a brief presentation on their programs.

2nd Vice-Chairperson Apostolou moved the Approval of Resolution No. 02854: Approval of Contract Renewal for Family Eldercare to continue to provide resident services coordination to elderly and disabled adults at Lakeside, Salina, North Loop, and Gaston Place, and one Floating Service Coordinator for HACA family properties. **Commissioner Carrington** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

ITEMS PRESENTED OUT OF ORDER

Chairperson Richie left the room at 2:20 pm. Vice-Chairperson Bailey presiding.

ITEM 7: Presentation, Discussion, and Possible Action on Resolution No. 02849 by the Board of Commissioners of the Housing Authority of the City of Austin (the “Authority”) to take the following actions with regard to the Bridge at Southpark Landing (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

Austin Affordable Housing Corporation (AAHC) was presented with an opportunity to partner with Belveron Partners to purchase a 308-unit multi-family rental property called Cortland Southpark Meadows Apartments.

The development is located at 420 Slaughter Lane, Austin, Texas 78748. This would be the nineteenth (19th) asset AAHC and Belveron Corporation have purchased together. This asset is located within walking distance of the popular Southpark Meadows, South Austin’s premiere retail hub. The property brings exceptionally large residences averaging 989 square feet with a significant percentage of two- and three-bedroom floorplans.

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 30,000 units across the United States. Founded in 2006, Belveron has invested in more than 220 properties in 32 states. AAHC works with the Managing Partner, Paul Odland, and Senior Portfolio Manager, Josh Plattner.

The Southpark Meadows Apartments were built in 2007 and sits on 16.31 acres. Some of the property amenities include a resort-style swimming pool with lounge seating and cabanas, elegant clubhouse with gathering spaces and full conference room, full kitchen, a billiards lounge and coffee bar, and business center. Residents also enjoy the expansive fitness center, a large pet park with washing station, walking trails and additional covered parking. The property feeds into the Austin Independent School District and Williams Elementary School, Bedicheck Middle School, and Crocket High School.

This is an important transaction to HACA and AAHC as this part of Austin continues to displace the affordable community. This partnership will preserve this asset and add deeper affordability for HACA's current voucher holders and the residents that reside in this area. Being so close to many major employers in and around the area, AAHC and Belveron can provide some stable and affordable housing to those stakeholders that are threatened with rising rent costs. Because of the large style units, this property is home to many families who work in and around the area with no current affordability in place.

The purchase price for the Southpark Meadows Apartments is \$71,000,000. Belveron will be investing approximately \$20,000,000 as a down payment. In addition, \$4,000,000.00 for future capital needs will also be set aside. Bellwether will be providing a Fannie Mae permanent loan with a not to exceed loan amount of \$56,800,000, at a rate of approximately 5.40% with a 35-year amortization. A current lease audit is underway to determine the initial number of units already qualified under 80% AMI. The property is currently 96% occupied. AAHC and Belveron are committed to providing 10% of the affordable units at 60% AMI, 40% of the units at 80% AMI and marketing units to all HCV voucher holders.

Apartment Management Professionals will manage the property. The new name for the property will be Bridge at Southpark Meadows Apartments.

Commissioner Carrington moved the Approval of Resolution No. 02849 by the Board of Commissioners of the Housing Authority of the City of Austin (the "Authority") to take the following actions with regard to the Bridge at Southpark Landing (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. **2nd Vice-Chairperson Apostolou** seconded the motion. The motion Passed (4-Ayes and 0-Nays).

ITEM 8: Presentation, Discussion, and Possible Action on Resolution No. 02858 by the Board of Commissioners of the Housing Authority of the City of Austin (the "Authority") approving resolution of Austin Affordable PFC, Inc. providing for the issuance of its Multifamily Housing Revenue Bonds (Heritage Pointe Apartments) Series 2024A and Multifamily Housing Revenue Bonds (Heritage Pointe Apartments) Series 2024B; approving the form and substance of and authorizing the execution and delivery of documents and instruments necessary to carry out the financing of such multifamily rental residential development; and containing other provisions relating to the subject

Austin Affordable Housing Corporation was presented with an opportunity to partner with April Housing on the acquisition and rehabilitation of an existing development located at 1950 Webberville Road, Austin, Texas 78721 in the Austin city limits. This property was built using tax credits and has reached its 15-year compliance period expiration. The project (Heritage Pointe Seniors Apartments) consists of 240 senior apartment units serving residents at 30%, 40%, 50%, 60% and 80% Area Median Incomes. The board saw this project originally in September of 2023 for the bond inducement resolution and again in February 2024 for the tax credit application resolution.

The development will use a mix of 4% tax credits and bonds to finance the rehabilitation. The development currently consists of 200 one bedroom/one bath units and 40 two bedroom/one and half bath units. As with all AAHC properties, all units will be marketed to HACA's Housing Choice Voucher families.

HACA, through its Public Facility Corporation, will issue tax-exempt bonds in an amount not to exceed \$29,300,000. PNC Bank, National Association will provide the construction loan in an amount not to exceed \$25,000,000, and a bridge loan in an amount not to exceed \$22,000,000. April Housing will provide a seller loan in an amount not to exceed \$20,000,000. PNC Bank will also provide the tax credit equity.

Rehabilitation will include, but is not limited to accessibility modifications, repairs/upgrades to HVAC and water heaters, new flooring, updated finishes, plumbing upgrades, upgraded countertops, upgraded light fixtures, exterior paint, upgraded mailboxes, upgraded amenities, improved/additional exterior lighting, and an upgrade on the community building.

2nd Vice-Chairperson Apostolou moved the Approval of Resolution No. 02858 by the Board of Commissioners of the Housing Authority of the City of Austin (the "Authority") approving resolution of Austin Affordable PFC, Inc. providing for the issuance of its Multifamily Housing Revenue Bonds (Heritage Pointe Apartments) Series 2024A and Multifamily Housing Revenue Bonds (Heritage Pointe Apartments) Series 2024B; approving the form and substance of and authorizing the execution and delivery of documents and instruments necessary to carry out the financing of such multifamily rental residential development; and containing other provisions relating to the subject in an amount not to exceed \$29,300,000. **Commissioner Carrington** seconded the motion. The motion Passed (4-Ayes and 0-Nays).

ITEM 9: Presentation, Discussion, and Possible Action on Resolution No. 02859 by the Board of Commissioners of the Housing Authority of the City of Austin (the "Authority") approving resolution of Austin Affordable PFC, Inc. providing for the issuance of its Multifamily Housing Revenue Bonds (Kingswood Apartments) Series 2024; approving the form and substance of and authorizing the execution and delivery of documents and instruments necessary to carry out the financing of such multifamily rental residential development; and containing other provisions relating to the subject

Austin Affordable Housing Corporation was presented with an opportunity to partner with LDG Multifamily, LLC (“LDG”) on a 23.054-acre tract of land located at the southeast corner of FM Road 812 and Burklund Farms Road, Austin, Texas 78617 in the Austin extraterritorial jurisdiction (ETJ). The project (“Kingswood”) will consist of 328 family apartment units serving tenants at or below 60% of median family income. The nearest properties in AAHC’s current portfolio are Pointe and Villages of Ben White to the northwest. This will be AAHC’s 17th property in partnership with LDG; all new construction projects.

Kingswood was initially presented to the Board in 2020, but AAHC wasn’t able to obtain a bond reservation at that time. Staff brought the property back to the Board in February 2023 for approval to submit another bond application. The bond allocation was awarded on July 6, 2023. Unfortunately, we were unable to close before the bond allocation expired. Staff was able to resubmit for a bond allocation that carries a 3-year expiration. Staff has received approvals from the Austin City Council and the Travis County Commissioners to proceed with the project.

This property will benefit HACA and AAHC with deep affordability, a large number of family units and close proximity to TESLA and all the businesses that are building close to TESLA. All units will be marketed to HACA’s Housing Choice Voucher residents.

The development will use a mixture of 4% tax credits and bonds to finance the development with a total project cost of approximately \$107,000,000. The planned development will consist of 48 one bedroom and one bath units, 132 two bedroom and two bath units, 124 three bedroom and two bath units, and 24 four bedroom and two bath units. HACA, through its Public Facility Corporation is requesting the approval of an issuance of tax-exempt bonds in an amount not to exceed \$50,000,000 and a taxable tail not to exceed \$5,000,000. Merchants Capital will provide both construction period and permanent mortgage financing. AAHC and LDG Development, LLC will both provide gap funding from fees earned on this transaction not to exceed \$1,500,000 each. Merchants Capital will also provide equity at \$.84 per credit, which would be an estimated \$37,000,000 in total equity and an equity bridge loan not to exceed \$35,000,000.

Commissioner Carrington moved the Approval of Resolution No. 02859 by the Board of Commissioners of the Housing Authority of the City of Austin (the “Authority”) approving resolution of Austin Affordable PFC, Inc. providing for the issuance of its Multifamily Housing Revenue Bonds (Kingswood Apartments) Series 2024; approving the form and substance of and authorizing the execution and delivery of documents and instruments necessary to carry out the financing of such multifamily rental residential development; and containing other provisions relating to the subject tax-exempt bonds in an amount not to exceed \$50,000,000 and a taxable tail not to exceed \$5,000,000. **2nd Vice-Chairperson Apostolou** seconded the motion. The motion Passed (4-Ayes and 0-Nays).

ITEM 10: Presentation, Discussion, and Possible Action on Resolution No. 02860 by the Board of Commissioners of the Housing Authority of the City of Austin (the “Authority”) to take the following actions with regard to Urban East Apartments Phase I (the “Development”) in Austin, Texas: (i) amend the ground lease covering the site of the Development; and (ii) such other actions necessary or convenient to carry out this Resolution

Austin Affordable Housing Corporation partnered with River City Capital Partners (RCCP) and LDG Multifamily on a 7.34 acre tract of land located at 6400 E. Riverside Drive, Austin, TX 78741. This project (Urban East) consists of 381 family apartment units. Fifty percent of the units will be affordable to tenants earning less than 80% median family income (MFI) and 50% will be affordable to tenants earning at or greater than 80% MFI.

RCCP originally purchased the site because of its Opportunity Zone status. Real estate investments within Opportunity Zones stand to provide investors with meaningful federal and state tax incentives, as a result of the Tax Cuts and Jobs Act of 2017. This parcel was attractive due to the appetite by equity firms to invest in Opportunity Zones.

The land was sold at construction closing to the Housing Authority of the City of Austin (HACA). Due to the fact that we are developing two phases of the apartment complex, the parcel was condominiumized into two units, HACA leased one unit to the Phase I partnership and the other unit to the Phase II partnership. These two phases are separate in every aspect including debt and equity.

Urban East Phase I used debt financing originated by Texas Capital Bank and equity from a combination of RCCP and Battery Global Advisors (BGA) out of Boston, MA. BGA uses a wide variety of private funds to invest in projects in Opportunity Zones. A large number of their investors are family investors. The total development cost is estimated at \$96,000,000. The equity provided is an estimated \$43,000,000 which is about 45% of the total cost. The development consist of 12 studio and one bath units, 292 one bedroom and one bath units, 73 two bedroom and two bath units, and 4 three bedroom and two bath units.

The project includes 2 resort-style swimming pools, sun decks, fully equipped gym, outdoor grills, dog park, yoga-fitness studio, wi-fi coffee bar and a media conference room. The site is bordered by Montopolis Drive, Riverside Drive and Vargas Road. Upon completion of the light rail, there will be a stop at the intersection of Riverside Drive and Montopolis Drive. All finished units are being marketed to HACA’s Housing Choice Voucher residents.

Unfortunately, when the project was 99% complete and about to receive final Certificates of Occupancy, there was a failure in the boiler system which caused a flood of one entire building consisting of 100 units. Even though this circumstance will be covered

by insurance, we will need extra time to refinish these damaged units. Because our construction financing is maturing, we went out to bid for a bridge loan to cover the time period it will take to rebuild since Texas Capital Bank would not extend the construction loan with favorable terms.

Goldman Sachs Bank USA will be the bridge loan lender. The bridge loan will be in the amount not to exceed of \$56,000,000. This loan will have an initial period of two years with three one-year extension options. This will allow us time to build back the units and stabilize the project so we can refinance into a permanent debt product. The Board will see this property again when we are ready to approve the permanent debt.

Commissioner Carrington moved the Approval of Resolution No. 02860 by the Board of Commissioners of the Housing Authority of the City of Austin (the “Authority”) to take the following actions with regard to Urban East Apartments Phase I (the “Development”) in Austin, Texas: (i) amend the ground lease covering the site of the Development; and (ii) such other actions necessary or convenient to carry out this Resolution. **2nd Vice-Chairperson Apostolou** seconded the motion. The motion Passed (4-Ayes and 0-Nays).

Chairperson Richie returned to the room at 2:30 pm.

ITEM 4: Presentation, Discussion, and Possible Action Regarding Resolution No. 02856: Ratification of an Award of Contract to Project Management Advisors, Inc. for Project Management Services on HACA Central Administration Facility Interior Renovations; Phase I

A fire incident in the HACA Central Administration Building in 2023 required some selective demolition, furniture and furnishings disposal, and extensive repair and renovation needs to the directly affected spaces of the first and second floors. These spaces included the offices of the Southwest Housing Compliance Corporation (SHCC), Austin Affordable Housing Corporation, (AAHC), HACA Compliance Department, Admissions Department, and the entire cafeteria dining area, the serving area, the kitchen, and related equipment. HACA is taking this opportunity to modernize and upgrade these areas to provide employees a more modern and invigorating work office experience. The depth and complexity of planned work scope is exciting, but challenging, and the only real renovation and improvement that these areas have had in almost 20 years of occupancy. Externally contracted professional project management is the best approach for comprehensive oversight and controls to provide the best outcomes, as well as manage problem issues and costs, for this important project. HACA staff do not have the time to perform these duties to the degree necessary, and maintain their own workloads.

HACA worked with its’ contracted design firm, Urban Foundry Architecture (UFA), on recommendations for project management. Three separate firms were interviewed, and were provided a tour of the HACA facility to discuss scope, project needs, phasing/scheduling, etc. Proposals were received from each firm for the project management services.

Staff recommended award based on in-person interviews, internal discussions, including importantly, HACA’s desired timeline for the project, provided project experience and histories, staff believes that Project Management Advisors, Inc. (PMA), should be selected and engaged as the best choice for HACA’s needs for the project. Staff recommended award to Project Management Advisors, Inc., at the proposed fixed-fee cost of \$114,600.

Vice-Chairperson Bailey moved the Approval of Resolution No. 02856: Ratification of an Award of Contract to Project Management Advisors, Inc. for Project Management Services on HACA Central Administration Facility Interior Renovations; Phase I to Project Management Advisors, Inc., at the proposed fixed-fee cost of \$114,600. **2nd Vice-Chairperson Apostolou** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

ITEM 5: Presentation, Discussion, and Possible Action regarding Resolution No. 02857: Approving the purchase and replacement of five heavy duty trucks for property maintenance

HACA’s Low-Income Housing ((LIH) Department. has an aging inventory of service trucks and vehicles purchased in 2010 and 2012. As a result, multiple vehicles have high mileage with repair costs that have hit the threshold of diminishing returns on expenses. Funds are better spent on new vehicles than investing more in these aging vehicles within the fleet. There is an immediate need for the replacement of four (4) maintenance service trucks and one (1) truck for the Operations (Ops) Department for their service needs to pull sewer jets, trailers, and bulk debris.

While there is interest in hybrid and electric trucks, the industry currently does not have hybrid or electric vehicles that meet the durability needs for this service work. Additionally, the cost benefit is not there yet. A hybrid or electric truck will cost more than \$20,000 more, while only providing 5-7 miles per gallon in additional fuel efficiency. However, by replacing these four aging trucks with newer gas engine trucks, HACA will be able to increase fuel efficiency by more than 10 miles per gallon over the existing trucks.

A team of staff from the OPS, LIH and Planning & Development (P&D) Departments performed pricing comparisons on various styles and makes of vehicles that could meet the needs of the agency. The styles and manufacturers selected for purchase provide the agency with the best performance, value and estimated longevity of the vehicle, based on available reviews, industry information, and experience and opinion of the vetting team. Appropriate vehicles were reviewed as available, from most major

auto manufacturers (Ford / Dodge / Chevrolet / GMC /Toyota). Similar options, sizes, and after-market additions, specific to the agency's needs, were compared for best pricing, occupant comfort and convenience, warranty, overall value, and most importantly, availability. Final selections were largely based on the ability to obtain the needed vehicles in a short timeframe of weeks instead of months, as quoted by most dealers, including the state contract providers.

Staff recommended purchasing four (4) heavy duty truck GMC Sierra 2500 2X4 for HACA'S LIH Department at \$62,196.75 each and 1 heavy duty GMC 3500 4 X 4 for OPS Department at \$69,4339.75 for their service needs to pull a trailer for bulk/WRITS pickups and weather related emergencies. The dealer determined to provide the best offer was Chuck Nash of San Marcos. A total of \$318,226.75 for all five trucks including 125K mile warranties with a \$100 deductible.

2nd Vice-Chairperson Apostolou moved the Approval of Resolution No. 02857: Approving the purchase and replacement of five heavy duty trucks for property maintenance from Chuck Nash of San Marcos for a total of \$318,226.75. **Vice-Chairperson Bailey** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

Commissioner Carrington left the meeting at 2:55 pm.

ITEM 3: Presentation, Discussion, and Possible Action Regarding Resolution No. 02855: Approval of a Contract to Verde Global Corporation for Exterior Renovation and Painting for Pathways at Georgian Manor Apartments

As part of ongoing improvements to PBRA properties in HACA's Low Income Housing (LIH) portfolio, the Planning & Development Department will now address the Pathways at Georgian Manor Apartments with a comprehensive exterior renovation and painting project for all buildings of the site. Work will include, but not be limited to, siding, wood, and masonry repairs on all 41 structures on the property, replacement of all Unit numbers, and installation of new building numbers.

An Invitation for Bid was advertised in the Austin American Statesman on Monday, May 20, 2024 and again on Tuesday, May 28, 2024, and faxed Monday, May 20, 2024 to the minority/small business organizations designated in the HACA Procurement Policy. The IFB was also sent to numerous plan rooms and advertised on the HACA website and in the Housing Agency Marketplace e-procurement website.

Thirty-One (31) Project Manuals were distributed and seven (7) Bid Proposals were submitted. Bids were received electronically on Friday, June 21, 2024 by 5:00 p.m., local time.

Staff recommended award to Verde Global, based on the lowest responsive and responsible bid submitted, and subsequent satisfactory reference verifications

Vice-Chairperson Bailey moved the Approval of Resolution No. 02855: Approval of a Contract to Verde Global Corporation for Exterior Renovation and Painting for Pathways at Georgian Manor Apartments. **2nd Vice-Chairperson Apostolou** seconded the motion. The motion Passed (4-Ayes and 0-Nays).

ITEM 6: Presentation, Discussion, and Possible Action on Resolution 02853: Amending the HACA Investment Policy to extend the term of any investment product from two (2) years to a period of up to five (5) years

The Housing Authority of the City of Austin's investment policy is required to conform to HUD and State requirements and provides assurance that funds are being managed prudently. HACA's amended investment policy was adopted and approved on October 21, 2021. The Texas Government Code Chapter 2256 which provide the regulations and guidelines for Texas local Government and Agency have been amended over the past twenty-five years. The proposed revisions will ensure alignment with HUD and State requirements and best practices as prescribed in HUD PIH Notice 96-37 and any amendments thereof, and the Texas Government Code Chapter 2256 and any amendments thereof.

It is the policy of HACA to invest surplus funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands. HACA will work with investment advisors who will assist in developing an investment strategy both short-term and long-term, and investing in multiple investment vehicles always considering staggered maturities, issuer, and returns to ensure diversification.

2nd Vice-Chairperson Apostolou moved the Approval of Resolution 02853: Amending the HACA Investment Policy to extend the term of any investment product from two (2) years to a period of up to five (5) years. **Vice-Chairperson Bailey** seconded the motion. The motion Passed (4-Ayes and 0-Nays).

EXECUTIVE SESSION

The Board did not recess into Executive Session.

REPORTS

- **Mike Gerber** handed out the National Low Income Housing Coalition Advocates Guide to Commissioners for their use.
- **Mr. Gerber** announced that the Grand Opening for Chalmers will be held on October 4th at 10 am.
- **Mr. Gerber** reported that HACA will be acquiring a Bond Rating to take a deep dive into the finances of the agency.

- **Mr. Gerber** announced that **Commissioner Apostolou** was awarded Commissioner of the Year at the Southwest NAHRO Conference. **Mr. Gerber** represented **Commissioner Apostolou** with the plaque from Southwest NAHRO.
- **Mr. Gerber** reported that NAHRO's policy on Professional Management requires all Commissioners to be certified by the end of 2025.

Vice-Chairperson Bailey moved to adjourn the meeting. **2nd Vice-Chairperson Apostolou** seconded the motion. The motion Passed (4-Ayes and 0-Nays).

The meeting adjourned at 3:17 pm.

Michael G. Gerber, Secretary

Chairperson

HOUSING AUTHORITY OF THE CITY OF AUSTIN

BOARD ACTION REQUEST

RESOLUTION NO. 02861

AUSTIN AFFORDABLE HOUSING CORPORATION

ITEM NO. 2.

MEETING DATE: September 19, 2024

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

ITEM TITLE: Presentation, Discussion, and Possible Action on Resolution No. 02861 by the Board of Commissioners of the Housing Authority of the City of Austin (the “Authority”) to take the following actions with regard to the Bridge at Austin City Lights (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. 02861 to take the following actions with regard to the Bridge at Austin City Lights (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) is considering a partnership with Christopher Investment Company on a 352-unit multi-family rental property, Austin City Lights Apartments, located at 501 E. Stassney Lane, Austin, Texas 78745. This property offers convenient access to the Central Business District, South Congress, South First, and Southpark Meadows areas. The property features exceptionally large residences, averaging 1,020 square feet, with nearly half of the units comprising two and three-bedroom floorplans.

Christopher Investment Company, a local Austin firm dedicated to preserving workforce housing, is a privately held, family-run company with a portfolio exceeding 1,600 apartment units in Austin and its surrounding areas. Founded in 1975, the company has historically focused on residential investments. AAHC will collaborate with the founder, Gregory Christopher, and its President, Brad Gates.

Constructed in 2006 on approximately 17.91 acres, Austin City Lights Apartments underwent extensive renovations by Christopher Investment Company between 2018 and 2022. These renovations included

upgrades to swimming pools, all interior units, roof replacement, and the addition of a dog park. The property amenities include a resort-style swimming pool with lounge seating, an elegant clubhouse with gathering spaces, a billiards lounge and coffee bar, a business center, an expansive fitness center, a yoga studio, a large pet park with a washing station, and both garage and additional covered parking spaces. The property is served by the Austin Independent School District, including Pleasant Elementary School, Bedicheck Middle School, and Crocket High School.

This transaction is significant for HACA and AAHC, as it addresses the displacement of affordable housing in this part of Austin. The partnership aims to preserve this asset and enhance affordability for current voucher holders and residents in the area. Given its proximity to major employers, AAHC and Christopher Investment Company will provide stable and affordable housing to stakeholders facing rising rent costs. The large units make this property ideal for families working in the area, where affordable housing options are currently limited.

The property is currently 94% occupied, with monthly rents ranging from \$1,240 for a one-bedroom unit to \$2,055 for a three-bedroom unit. The unit mix is as follows:

- 180 one-bedroom/one-bath units, ranging from 735 to 1,038 square feet
- 140 two-bedroom/two-bath units, ranging from 1,195 to 1,260 square feet
- 32 three-bedroom/two-bath units, each 1,431 square feet

Process:

The valuation for Austin City Lights Apartments is \$84,030,000, subject to change based on appraisal. Christopher Investment Company will retain approximately \$30,256,000 in equity in the deal. Bellwether will provide a Freddie Mac permanent loan with a maximum loan amount of \$60,000,000 at an approximate rate of 5.40% with a 35-year amortization. A current lease audit is underway to determine the initial number of units already qualified under 80% AMI. The property is currently 94% occupied. AAHC and Christopher Investment Company are committed to providing 10% of the affordable units at 60% AMI, 40% of the units at 80% AMI, and marketing all units to voucher holders.

Christopher Investment Company will continue to manage the property, which will be rebranded the Bridge at Austin City Lights.

Staff Recommendation:

Staff recommends approval of Resolution No. 02861.

RESOLUTION NO. 02861

Presentation, Discussion, and Possible Action on Resolution No. 02861 by the Board of Commissioners of the Housing Authority of the City of Austin (the “Authority”) to take the following actions with regard to the Bridge at Austin City Lights (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

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

WHEREAS, in connection therewith, the Authority 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 CLA Apts LLC, a Delaware limited liability company, whose managing member is controlled by an affiliate of AAHC (the “Owner”), under a long-term ground lease (the “Ground Lease”);

NOW, THEREFORE, the Board of Commissioners of the Authority 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, joinders, 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 19th day of September, 2024.

Michael G. Gerber, Secretary

Carl S. Richie, Jr., Chairperson

HOUSING AUTHORITY OF THE CITY OF AUSTIN

BOARD ACTION REQUEST

RESOLUTION NO. 02862

ASSISTED HOUSING

ITEM NO. 3.

MEETING DATE: September 19, 2024

STAFF CONTACT: Lisa Garcia, Vice President of Assisted Housing

ITEM TITLE: Presentation, Discussion and Possible Action regarding Resolution No. 02862: 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. 02862 which will update the Housing Choice Voucher Program's Payment Standards.

SUMMARY

Background:

Public Housing Authorities (PHAS) 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 2023, the Board approved the payment standards at 100% of the published Fair Market Rents. Staff reviewed the newly published FMRs and the 2nd quarter Austin Multi-Family Trend report and recommends increasing payment standards to 100% of the fiscal year (FY) 2025 HUD published FMRs for the Housing Choice Voucher program.

For the HUD-VASH, Stability Voucher, and Emergency Housing Voucher programs, HUD has waived 24 CFR 982.503(b)(1)(i) and established an alternative requirement to allow the PHA to establish payment standards at any level between 90 percent and 120 percent of the published FMRs. Recognizing the high barriers to obtaining housing for people experiencing homelessness, staff recommends establishing payment standards at 120% of the current published FMRs for these three programs.

Process:

The 2025 fair market rents (FMRs) reflect an average increase of 1-2% over last year's published FMRS. Staff reviewed the 2nd Quarter Austin Multi-Family Trend report to assess the current rental rates in Austin as compared to the FY2025 published FMRs. The review of the current rental rates, reflects a need to increase payment standards to 100% of the published FMRs so housing choice voucher households can afford rent

and utilities in the competitive rental market.

Recognizing the high barriers to obtaining housing for people experiencing homelessness, staff recommends establishing payment standards at 120% of the published FMRS for the HUD-Veteran Affairs Supportive Housing (VASH), Stability Voucher, and Emergency Housing Voucher programs. This will provide additional housing options to the unhoused served by these programs, helping people more quickly end their crisis of homelessness.

Staff Recommendation:

The rising Austin rental rates and utility rates continue to make it difficult for Housing Choice Voucher families to locate affordable homes in the Austin area. Staff recommends adjusting the payment standards to 100% of the FY 2025 published FMRs to help families secure homes in Austin's competitive rental market.

HUD allows housing authorities to establish different payment standards for the VASH, Stability Voucher and Emergency Housing Voucher programs to allow for greater access to housing opportunities for people experiencing homelessness, therefore, staff recommends establishing payment standards at 120% of the published FMRs for these programs. Additionally, staff will continue to exercise the flexibility to approve payment standards up to 120% of the published FMRs as a reasonable accommodation for persons with disabilities who receive Housing Choice Voucher program rental assistance.

The new payment standards, if approved, will go into effect on January 1, 2025, for any new leases/HAP Contracts, annual re-examinations and interims.

For your review, the FMR Standards adopted October 19, 2023 are attached for your review.

ATTACHMENTS:

- ▣ **Attachment 1 FY2025 Fair Market Rents (FMRs)**
- ▣ **Attachment 2 Austin Trend Report 2nd Qtr**
- ▣ **Attachment 3 Standards Adopted 10/19/23**

RESOLUTION NO. 02862

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

WHEREAS, the Housing Authority of the City of Austin is responsible for adopting Housing Choice Voucher 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 an 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 100% of the currently published fair market rents for all bedroom unit sizes for all Housing Choice Voucher programs except for the HUD-VASH, Stability Voucher, and Emergency Housing Voucher programs.

The proposed payment standards are as follows:

| No. of bedrooms | Eff. | 1 br | 2 br | 3br | 4 br | 5 br |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Payment Standards | \$1,549 | \$1,650 | \$1,949 | \$2,484 | \$2,882 | \$3,314 |

WHEREAS, HUD allows PHAs to establish payment standards between 90 percent and 120 percent for the HUD-VASH, Stability Voucher, and Emergency Housing Voucher programs. These programs serve persons experiencing homelessness who have barriers to secure housing. Thus, the Housing Authority of the City of Austin will establish the payment standards for these programs at 120% of the current published FMRs to allow greater access to affordable housing.

The proposed payment standards for the HUD-VASH, Stability Voucher, and Emergency Housing Voucher programs are as follows:

| No. of bedrooms | Eff. | 1 br | 2 br | 3br | 4 br | 5 br |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Payment Standards | \$1,859 | \$1,980 | \$2,339 | \$2,981 | \$3,458 | \$3,977 |

NOW, THEREFORE, BE IT RESOLVED that the Housing Authority of the City of Austin's Board of Commissioners adopt payment standards as outlined above to go into effect on January 1, 2025.

PASSED, APPROVED, and ADOPTED this 19th day of September 2024.

Carl S. Richie, Jr., Chairperson

Michael G. Gerber, Secretary



FY 2025 FAIR MARKET RENT DOCUMENTATION SYSTEM

The FY 2025 Austin-Round Rock, TX MSA FMRs for All Bedroom Sizes

Final FY 2025 & Final FY 2024 FMRs By Unit Bedrooms

| Year | Efficiency | One-Bedroom | Two-Bedroom | Three-Bedroom | Four-Bedroom |
|-----------------------------|----------------------------|-----------------------------|-----------------------------|-------------------------------|------------------------------|
| FY 2025 FMR | \$1,549 | \$1,650 | \$1,949 | \$2,484 | \$2,882 |
| FY 2024 FMR | \$1,519 | \$1,635 | \$1,924 | \$2,470 | \$2,840 |

The Austin-Round Rock, TX MSA consists of the following counties: Bastrop County, TX; Caldwell County, TX; Hays County, TX; Travis County, TX; and Williamson County, TX. All information here applies to the entirety of the Austin-Round Rock, TX MSA.

Fair Market Rent Calculation Methodology

— [Show/Hide Methodology Narrative](#) —

Fair Market Rents for metropolitan areas and non-metropolitan FMR areas are developed as follows:

1. **Calculate the Base Rent:** HUD uses 2018-2022 5-year American Community Survey (ACS) estimates of 2-bedroom adjusted standard quality gross rents calculated for each FMR area as the new basis for FY2025, provided the estimate is statistically reliable. For FY2025, the test for reliability is whether the margin of error for the estimate is less than 50% of the estimate itself and whether the ACS estimate is based on at least 100 survey cases. HUD does not receive the exact number of survey cases, but rather a categorical variable known as the count indicator indicating a range of cases. An estimate based on at least 100 cases corresponds to a count indicator of 4 or higher.

If an area does not have a reliable 2018-2022 5-year estimate, HUD checks whether the area has had at least 2 minimally reliable estimates in the past 3 years, or estimates that meet the 50% margin of error test described above. If so, the FY2025 base rent is the average of the inflated ACS estimates.

If an area has not had a minimally reliable estimate in the past 3 years, HUD uses the estimate for the area's corresponding metropolitan area (if applicable) or State non-metropolitan area as the basis for FY2025.

2. **Calculate the Basis for Recent Mover Adjustment Factor**: HUD calculates a recent mover adjustment factor by comparing an ACS 2022 1-year 40th percentile recent mover 2-bedroom rent to the ACS 2018-2022 5-year 40th percentile adjusted standard quality gross rent. If either the recent mover and non-recent mover rent estimates are not reliable, HUD uses the recent mover adjustment for a larger geography. For metropolitan areas, the order of geographies examined is: FMR Area, Entire Metropolitan Area (for Metropolitan Sub-Areas), State Metropolitan Portion, Entire State, and Entire US; for non-metropolitan areas, the order of geographies examined is: FMR Area, State Non-Metropolitan Portion, Entire State, and Entire US. The recent mover adjustment factor is floored at one.

HUD first examines recent movers who have moved within the current year of the ACS survey. If there is no reliable local area estimate, HUD then examines those who have moved into their residence within the current year or preceding year of the ACS survey. Upon determining a reliable recent mover estimate, HUD calculates the appropriate recent mover adjustment factor between the 5-year data and the 1-year data.

3. **Adjust for Inflation**: In order to calculate rents that are "as of" 2023, HUD applies a gross rent inflation adjustment factor using data from commercial rent data sources and the Consumer Price Index. HUD uses a local measure of private rent inflation for markets that are covered by at least three of the six available sources of private rent data. HUD combines this local measure of rent inflation with either the local metropolitan area CPI rent of primary residence for the 23 areas where such data exist, or the regional CPI rent in areas without a local index.

For areas without at least three of the six private rent data sources available, HUD uses a regional average of private rent inflation factors alongside the regional CPI rent of primary residence. HUD constructs the regional average by taking the rental unit weighted average of the change in rents of each area in a region that does have private rent data coverage. HUD averages the private and CPI shelter rent data with the year-to-year change in the CPI housing fuels and utilities index for the area in order to make the resulting inflation measure reflective of gross rents.

The private and CPI gross rent update factors are then combined using a weighting scheme which controls the national weighted average of the private and CPI gross rent factors to the national change in the ACS recent mover gross rent. The resulting weights assigned are as follows: $\mathbf{W}_{2023} = 0.7499$ assigned to the private gross rent factor and $(1 - \mathbf{W}_{2023}) = 0.2501$ assigned to the CPI gross rent factor.

4. **Calculate the Trend Factor:** To further inflate rents from CY2023 to FY2025, HUD uses a "trend factor" based on the forecast of CPI gross rent changes through FY2025.
5. **Multiply the Factors:** HUD multiplies the base rent by the recent mover factor, the gross rent inflation factor, and the trend factor to produce a rent that is "as of" the current fiscal year.
6. **Compare to the State minimum:** FY2025 FMRs are then compared to a State minimum rent, and any area whose preliminary FMR falls below this value is raised to the level of the State minimum.
7. **Calculate Bedroom Ratios:** HUD calculates "bedroom ratios" and multiplies these by the two-bedroom rent to produce preliminary FMRs for unit sizes other than two bedrooms.
8. **Compare to Last Year's FMR:** FY2025 FMRs may not be less than 90% of FY2024 FMRs. Therefore, HUD applies "floors" based on the prior year's FMRs.

The results of the Fair Market Rent Step-by-Step Process

1. **Base Rent Calculation**

The following are the 2022 American Community Survey 5-year 2-Bedroom Adjusted Standard Quality Gross Rent estimates and margins of error for Austin-Round Rock, TX MSA.

| Area | ACS ₂₀₂₂ 5-Year 2-Bedroom Adjusted Standard Quality Gross Rent | ACS ₂₀₂₂ 5-Year 2-Bedroom Adjusted Standard Quality Gross Rent Margin of Error | Ratio | Sample Size Category | Result |
|---------------------------|---|---|------------------------|----------------------|---|
| Austin-Round Rock, TX MSA | \$1,499 | \$19 | \$19 / \$1,499=0.01268 | 6 | 0.01268 < .5 6 ≥ 4 Use ACS ₂₀₂₂ 5-Year Austin-Round Rock, TX MSA 2-Bedroom Adjusted Standard |

Quality Gross Rent

Since the ACS₂₀₂₂ Margin of Error Ratio is less than .5, HUD uses the ACS₂₀₂₂ Austin-Round Rock, TX MSA value for the estimate of 2-Bedroom Adjusted Standard Quality Gross Rent (Base Rent).

| Area | FY2025 Base Rent |
|---------------------------|------------------|
| Austin-Round Rock, TX MSA | \$1,499 |

2. Recent Mover Adjustment Factor Calculation

A recent mover adjustment factor is applied based on the smallest area of geography containing Austin-Round Rock, TX MSA that has an ACS₂₀₂₂ 1-year Adjusted Standard Quality Recent-Mover estimate with a Margin of Error Ratio that is less than .5 and a sufficient number of sample cases.

| Area | ACS ₂₀₂₂ 1-Year Adjusted Standard Quality Recent-Mover Gross Rent | ACS ₂₀₂₂ 1-Year Adjusted Standard Quality Recent-Mover Gross Rent Margin of Error | Ratio | Sample Size Category | Result |
|---|--|--|-------|----------------------|---|
| Austin-Round Rock, TX MSA – ACS 1-year recent mover 2 Bedroom | \$1,715 | \$94 | 0.055 | 5 | 0.055 < .5 5 ≥ 4 Use ACS ₂₀₂₂ 1-Year Austin-Round Rock, TX MSA 2-Bedroom Adjusted Standard Quality Recent-Mover Gross Rent |

The calculation of the relevant Recent-Mover Adjustment Factor for Austin-Round Rock, TX MSA is as follows:

| ACS ₂₀₂₂ 5-Year Area | ACS ₂₀₂₂ 5-Year 40th Percentile Adjusted Standard Quality Gross Rent | ACS ₂₀₂₂ 1-Year 40th Percentile Adjusted Standard Quality Recent-Mover Gross Rent |
|---------------------------------|---|--|
|---------------------------------|---|--|

| | | |
|---|----------------|----------------|
| Austin-Round Rock, TX MSA – All Bedroom | <u>\$1,499</u> | <u>\$1,715</u> |
|---|----------------|----------------|

| Area | Ratio | Recent-Mover Adjustment Factor |
|---------------------------|---------------------------|--|
| Austin-Round Rock, TX MSA | \$1,715 / \$1,499 = 1.144 | 1.1441 ≥ 1.0 Use calculated Recent-Mover Adjustment Factor of 1.1441 |

3. Inflation Adjustment Factor Calculation

A gross rent inflation adjustment factor is applied based on a weighted average of a private source gross rent inflation factor and a Consumer Price Index gross rent inflation factor. Since Austin-Round Rock, TX MSA is covered by at least 3 private data sources, a local-based private rent factor is applied. Furthermore, since Austin-Round Rock, TX MSA is not covered by a local-CPI rent area, a Region-based CPI gross rent factor is applied.

| Components of 2023 Inflation Adjustment Factor for Austin-Round Rock, TX MSA | | | | | |
|---|---|---|---|--|------------------------------|
| | R₂₀₂₃ = Shelter Rent Change, 2022 to 2023 | U₂₀₂₃ = CPI Annual Utilities Change, 2022 to 2023 | C₂₀₂₃ = ACS Utility Cost as a Percent of Gross Rent | Gross Rent Inflation Factor Calculation = (R₂₀₂₃ × (1 - C₂₀₂₃) + U₂₀₂₃ × C₂₀₂₃) | Inflation Factor Type |
| P₂₀₂₃ = Private Inflation Factor | 1.00556 | 1.04245 | 0.09112 | (1.00556 * 0.90888) + (1.04245 * 0.0911) = 1.00892 | Local |
| CPI₂₀₂₃ = CPI Inflation Factor | 1.09805 | 1.04245 | 0.1504 | (1.09805 * 0.8496) + (1.04245 * 0.1504) = 1.08969 | Region |

The 2023 Gross Rent Inflation Factor for Austin-Round Rock, TX MSA is computed as follows:

$$= \mathbf{CPI}_{2023} \times (1 - \mathbf{W}_{2023}) + \mathbf{P}_{2023} \times \mathbf{W}_{2023}$$

$$= (1.08969 \times 0.2501) + (1.00892 \times 0.7499)$$

= (0.272531) + (0.756589)

= **1.02912**

4. Trend Factor Adjustment

The calculation of the Trend Factor is as follows: HUD forecasts the change in gross rents from 2023 to 2025 for each CPI area and Census Region. This makes Fair Market Rents "as of" FY2025.

| | Trend Factor | Trend Factor Type |
|--------------|-------------------------|--------------------------|
| Trend Factor | 1.10429 | Region |

5. Combination of Factors

The FY 2025 2-Bedroom Fair Market Rent for Austin-Round Rock, TX MSA is calculated as follows:

| Area | Base Rent | | Recent-Mover Adjustment Factor | | Annual 2022 to 2023 Gross Rent Inflation Adjustment | | Trending 2023 to FY2025 | | FY 2025 2-Bedroom FMR |
|---------------------------|------------------|---|---------------------------------------|---|--|---|--------------------------------|---|------------------------------|
| Austin-Round Rock, TX MSA | \$1,499 | * | 1.1441 | * | 1.02912 | * | 1.10429 | = | \$1,949 |

6. State Minimum Comparison

In keeping with HUD policy, the preliminary FY 2025 FMR is checked to ensure that it does not fall below the state minimum.

| Area | Preliminary FY2025 2-Bedroom FMR | FY 2025 Texas State Minimum | Final FY2025 2-Bedroom FMR |
|---------------------------|---|------------------------------------|--|
| Austin-Round Rock, TX MSA | \$1,949 | \$933 | \$1,949 ≥ \$933 Use Austin-Round Rock, TX MSA FMR of \$1,949 |

7. Bedroom Ratios Application

Bedroom ratios are applied to calculate FMRs for unit sizes other than two bedrooms.

Click on the links in the table to see how the bedroom ratios are calculated.

FY 2025 FMRs By Unit Bedrooms

| | <u>Efficiency</u> | <u>One-Bedroom</u> | <u>Two-Bedroom</u> | <u>Three-Bedroom</u> | <u>Four-Bedroom</u> |
|-------------|-------------------|--------------------|--------------------|----------------------|---------------------|
| FY 2025 FMR | \$1,549 | \$1,650 | \$1,949 | \$2,484 | \$2,882 |

8. Comparison to Previous Year

The FY2025 FMRs for each bedroom size must not be below 90% of the FY2024 FMRs.

| | Efficiency | One-Bedroom | Two-Bedroom | Three-Bedroom | Four-Bedroom |
|------------------------------|-------------------|--------------------|--------------------|----------------------|---------------------|
| FY2024 FMR | \$1,519 | \$1,635 | \$1,924 | \$2,470 | \$2,840 |
| FY2024 floor | \$1,368 | \$1,472 | \$1,732 | \$2,223 | \$2,556 |
| FY 2025 FMR | \$1,549 | \$1,650 | \$1,949 | \$2,484 | \$2,882 |
| Use FY2024 floor for FY2025? | No | No | No | No | No |

Final FY2025 Rents for All Bedroom Sizes for Austin-Round Rock, TX MSA

Final FY 2025 FMRs By Unit Bedrooms

| | Efficiency | One-Bedroom | Two-Bedroom | Three-Bedroom | Four-Bedroom |
|-------------------|-------------------|--------------------|--------------------|----------------------|---------------------|
| Final FY 2025 FMR | \$1,549 | \$1,650 | \$1,949 | \$2,484 | \$2,882 |

The FMRs for unit sizes larger than four bedrooms are calculated by adding 15 percent to the four bedroom FMR, for each extra bedroom. For example, the FMR for a five bedroom unit is 1.15 times the four bedroom FMR, and the FMR for a six bedroom unit is 1.30 times the four bedroom FMR. FMRs for single-room occupancy units are 0.75 times the zero bedroom (efficiency) FMR.

Permanent link to this page:

http://www.huduser.gov/portal/datasets/fmr/fmrs/FY2025_code/2025summary.odn?&year=2025&fmrtype=Final&cbsasub=METRO12420M12420

Select a different area

Press below to select a different county within the same state (same primary state for metropolitan areas):

Anderson County, TX
Andrews County, TX
Angelina County, TX
Aransas County, TX
Archer County, TX

Select a new county

Press below to select a different state:

Select a new state

Select a Final FY 2025 Metropolitan FMR Area:

Austin-Round Rock, TX MSA

Select Metropolitan FMR Area

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[FMR/IL Summary System](#) | [Multifamily Tax Subsidy Project \(MTSP\) Income Limits](#) | [HUD LIHTC Database](#)

Prepared by the [Program Parameters and Research Division](#), HUD. Technical problems or questions? [Contact Us](#).

Austin Multi-Family Trend Report

Second Quarter 2024



Austin Investor Interests
Superior Apartment Research

\$825 Annually



Inside This Report

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Copyrighted Report: TC **324315**



Austin Quarterly Snapshot

| | |
|---------------------------|-----------|
| Average Occupancy: | 88.30% |
| Average Rent: | \$1,511 |
| Average Square Feet: | 866 |
| Average \$/SF: | \$1.75 |
| New Units Added | 6,518 |
| Average Sales Price/Unit: | \$176,943 |



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.

2Q24 Affordable Housing Stats:

31,775 Units – 86.7% - \$1.45psf

2Q24 Student Housing Stats:

15,381 Units – 91.54% - \$2.54psf

2Q24 Senior Housing Stats:

7,725 Units – 85.04% - \$1.68psf

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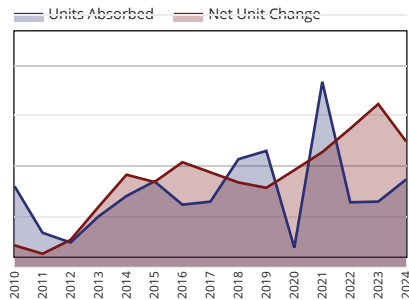
Austin Investor Interests
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Market Overview

Absorption!

The anticipation of the onslaught of all the new development that has been years in the making, and a source of heated debate for many, has now arrived and brought forth close to the lowest rates on record. And yet, it has actually been a bit anticlimactic. With occupancy rates falling incrementally in each of the last 11 quarters, there has been no crash, no shake, no shatter – just a lot of unit deliveries that are actually being well absorbed.

NET UNIT CHANGE/ABSORPTION

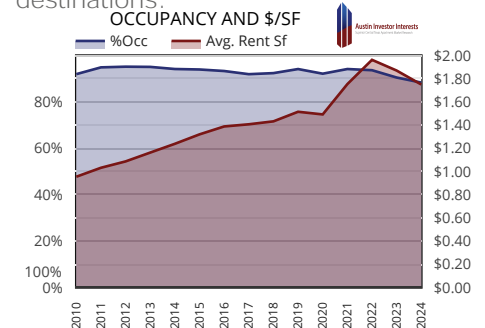


Many see this as a turning point in the market. Since January 1st, over 12,222 new conventional units have been delivered, with an impressive absorption rate of 71%, or 8,672 units. These gains are noteworthy, despite slight declines in occupancy. However, the effective rental rate has dropped, losing half of the 32% gains achieved in the second quarter of 2021 and 2022.

Looking ahead, the next 12 months are expected to bring 28,500 new units to the market. Almost half of these units have faced numerous delays and are expected to be delivered during the seasonally slow fourth quarter. Despite funding constraints, optimism remains high among developers, who believe the market will be ready for additional inventory by late 2025.

At the property level, news of tenant losses are much more prevalent than gains during the second quarter. Reports are that local tenants are chasing specials that are between 4–8 weeks free, plus \$1000–\$2000 incentives to look and lease. Older properties are still offering one month free up to \$500 off the 1st month. Others report a heightened demand for two bedrooms to accommodate roommate scenarios. An item never heard before, was lowering tenants rents at the time of renewal, or allowing them to transfer on-site for lower rents.

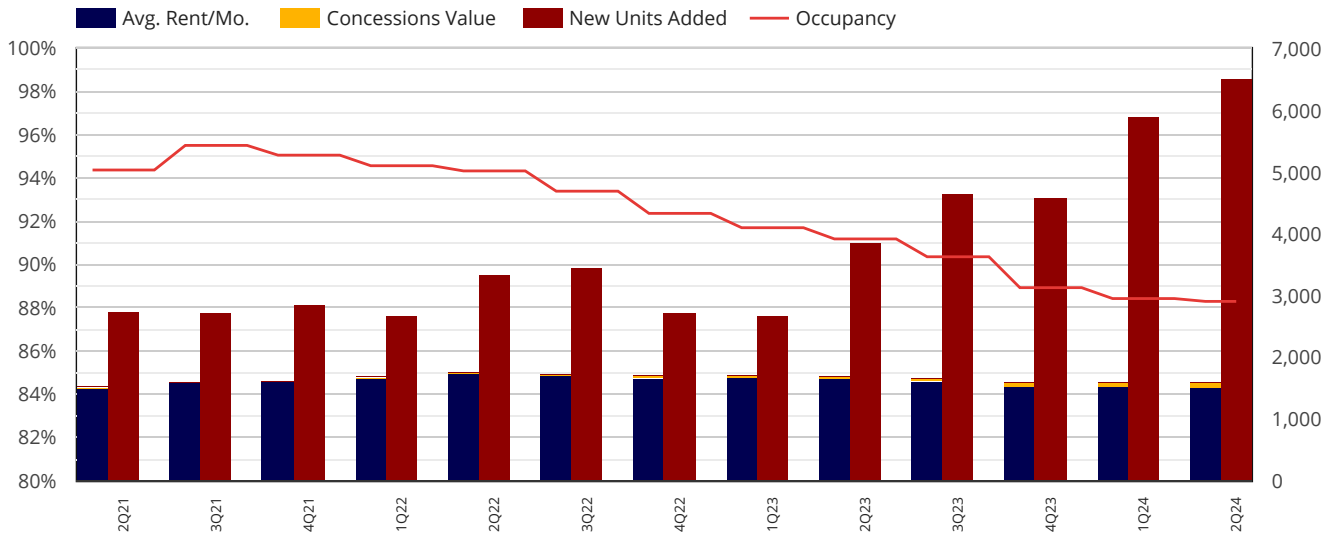
Most concerning, were the changes that have been building over the last 18–24 months. Tenants choosing to buy homes was still reported, but job transfers were much more common. Out-of-state traffic was rarely heard from. Moves out of the area and out of state were commonly reported. Many named other Texas cities or Arizona, Florida and back to California as destinations.



While investors remain interested in the Austin area, total investment trades have been on the lower side and the average ticket price has dropped nearly 25%. Many properties that were purchased during the euphoria of 2020–2022 are now on the market in an attempt to avoid a forced sale. Austin can expect some challenges as units continue to come online and the tenant base is whittled down.



Historical Rents and Occupancy



| | 2Q21 | 3Q21 | 4Q21 | 1Q22 | 2Q22 | 3Q22 | 4Q22 | 1Q23 | 2Q23 | 3Q23 | 4Q23 | 1Q24 | 2Q24 |
|--------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Avg. Rent/Mo | \$1,500 | \$1,593 | \$1,620 | \$1,663 | \$1,742 | \$1,707 | \$1,670 | \$1,678 | \$1,654 | \$1,603 | \$1,533 | \$1,518 | \$1,511 |
| Concessions | \$13 | \$5 | \$6 | \$8 | \$13 | \$19 | \$30 | \$34 | \$38 | \$54 | \$68 | \$81 | \$87 |
| New Units | 2,739 | 2,718 | 2,863 | 2,676 | 3,347 | 3,453 | 2,726 | 2,690 | 3,862 | 4,649 | 4,580 | 5,904 | 6,518 |
| Occupancy | 94.4% | 95.5% | 95.1% | 94.6% | 94.3% | 93.4% | 92.4% | 91.7% | 91.2% | 90.4% | 88.9% | 88.4% | 88.3% |
| Avg. \$/SF | \$1.74 | \$1.85 | \$1.88 | \$1.93 | \$2.02 | \$1.98 | \$1.93 | \$1.94 | \$1.92 | \$1.86 | \$1.78 | \$1.76 | \$1.75 |

During the second quarter of 2020, the start of the pandemic, Austin rental rates took a dive to \$1.49 psf. Within two years, those rates increased a whopping 35% to \$2.02 psf in second quarter 2022. Now here we are, another two years later, and rents have been on a steady decline since that pinnacle, falling eight consecutive quarters to \$1.75 psf, or \$1,519/mo – a loss of 13% off the peak. Quarterly, this was a .57% decrease, and 8.6% for the year.

Occupancy has not fared much better, marking the eleventh consecutive quarter of prolonged decline. This quarter's decrease was notably the smallest, dropping by only 0.13% to 88.3% – a rate unseen since the aftermath of the recession in 2009. Annually, this was a 2.9% decline.

The overall value of concessions have reached their highest peak since the

recession of 2009, with properties losing an average of 5.45% off monthly rents. Submarkets that have added higher quantities of new units over the year offered the largest concessions ranging from 5–12% off market rates. The largest specials were found in the E (12.2%), WMS (10.2%) and SE (7.1%) sectors. Most areas traded rent for occupancy, or vice versa, and only a handful were positive in both. Conversely, areas that struggled included BAS, HAYS, NE, NC, SC and W.

This market was operating with occupancy in the mid-90's for years until just 24 months ago. Now, there are 15 of the 23 sectors operating below 89% and all had negative rent growth over the year. Surprisingly, the E, SM, NEC and WMS held the lowest rate, while BAS, SW and NW had the highest.

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...

Visit our website
www.apartmenttrends.com

Austin Region Multi-Family Trend Report / 2Q24

Continued from page 3

As shown in the graphs on the right, Class A units, which account for 39% of the market, have been the primary drivers of the overall decline in effective rent and occupancy. This was anticipated due to the significant influx of new units into the market, resulting in a 0.4% drop in occupancy, to 83.3%, and a 0.2% decrease in rents, to \$1.88 psf. Concessions averaged 7.5% off market rates in this class. Notably, stabilized Class A properties (those older than 12 months) have the second-highest occupancy rate, just behind Class B properties. At 92.7% occupancy, and rents of \$1.92 psf, concessions for this class are at 5.4% off market rates.

Annually, Class A occupancy was down 5.7%, while rents decreased 8.6%.

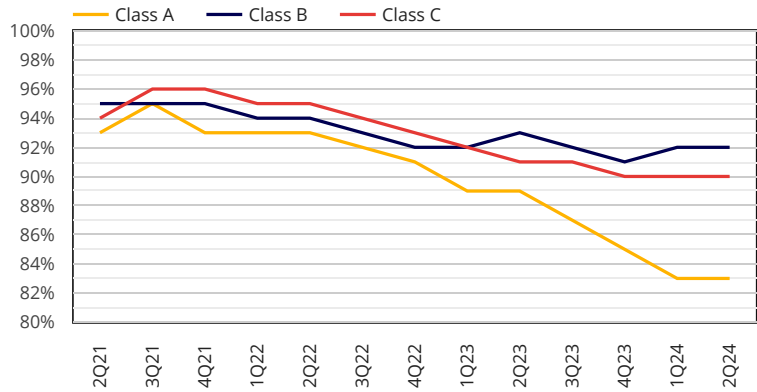
Class B and C units traded occupancy for rent. Class B saw rents drop by .52%, to \$1.67 psf, while occupancy increased slightly, up 0.17% to 92.8%. Concessions in this class were at 4.1% off market rates.

Class C experienced a significant rent decrease of 1.6%, to \$1.65 psf, and occupancy declined by 0.26%, to 90.5%. Concessions were at 3.6% off market rates.

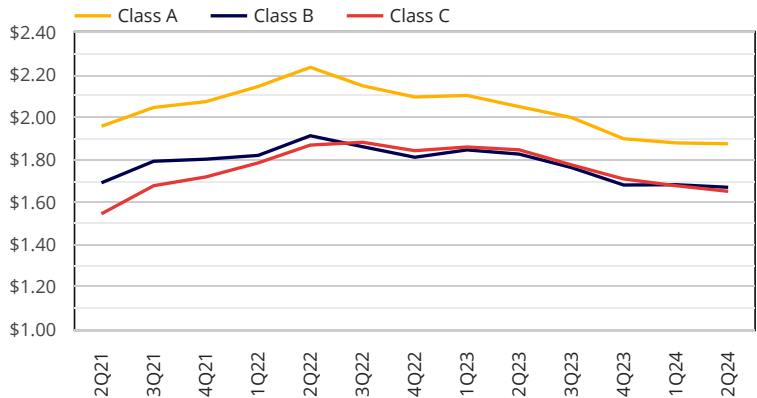
Class B and C rents declined by 8.6% and 10.6%, respectively. Class B occupancy had the smallest annual decline at 0.26%, while Class C occupancy fell by 1.4%.

Continued on page 7

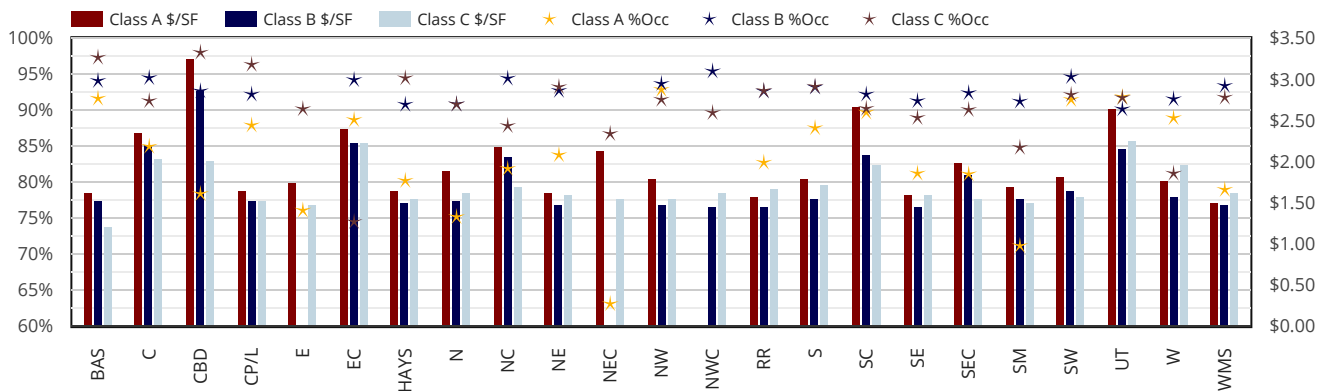
Historical Occupancy by Class



Historical Rental Rates by Class



Submarket Average \$/SF & Occupancy by Class



OCCUPANCY AND RENTAL RATES

| 2Q24 | 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 | 91.6% | \$1.62 | 95.0% | \$1.65 | 94.1% | \$1.53 | 97.3% | \$1.22 | 94.0% | \$1.50 | -1.2% | -3.08% | -4.0% | -4.37% |
| C | 84.9% | \$2.36 | 92.0% | \$2.34 | 94.5% | \$2.20 | 91.3% | \$2.04 | 90.6% | \$2.19 | - | 0.23% | -3.4% | -5.57% |
| CBD | 78.4% | \$3.27 | 93.7% | \$3.15 | 92.6% | \$2.87 | 98.0% | \$2.01 | 84.5% | \$3.09 | 0.3% | 2.66% | -5.7% | -1.61% |
| CP/L | 87.9% | \$1.65 | 93.7% | \$1.67 | 92.2% | \$1.52 | 96.3% | \$1.54 | 90.0% | \$1.60 | 0.2% | 0.04% | -1.6% | -8.72% |
| E | 76.1% | \$1.75 | 90.9% | \$1.77 | - | - | 90.2% | \$1.47 | 78.0% | \$1.71 | -2.7% | 1.41% | -12.9% | -12.10% |
| EC | 88.7% | \$2.41 | 92.3% | \$2.41 | 94.2% | \$2.24 | 74.5% | \$2.24 | 88.6% | \$2.37 | -2.8% | 0.84% | -1.7% | -8.30% |
| HAYS | 80.2% | \$1.64 | 93.2% | \$1.67 | 90.8% | \$1.51 | 94.4% | \$1.57 | 82.8% | \$1.61 | -5.8% | -3.48% | -10.6% | -9.83% |
| N | 75.2% | \$1.90 | 88.6% | \$1.84 | 90.8% | \$1.54 | 90.8% | \$1.64 | 88.8% | \$1.65 | 0.9% | -1.42% | -2.8% | -10.65% |
| NC | 81.9% | \$2.19 | 93.7% | \$2.26 | 94.4% | \$2.06 | 87.8% | \$1.69 | 86.3% | \$2.05 | -2.1% | -0.52% | -5.4% | -6.04% |
| NE | 83.8% | \$1.63 | 91.2% | \$1.66 | 92.7% | \$1.47 | 93.2% | \$1.60 | 87.8% | \$1.58 | -0.7% | -2.00% | -2.2% | -9.12% |
| NEC | 63.1% | \$2.14 | 90.6% | \$1.95 | - | - | 86.7% | \$1.55 | 81.6% | \$1.68 | -1.4% | 0.51% | -9.6% | -5.79% |
| NW | 92.8% | \$1.80 | 92.4% | \$1.79 | 93.7% | \$1.48 | 91.5% | \$1.56 | 92.2% | \$1.56 | 0.6% | -1.65% | -0.1% | -11.64% |
| NWC | - | - | - | - | 95.4% | \$1.46 | 89.6% | \$1.62 | 90.1% | \$1.61 | -0.3% | -2.22% | -2.5% | -13.95% |
| RR | 82.7% | \$1.57 | 91.0% | \$1.55 | 92.6% | \$1.46 | 92.7% | \$1.67 | 89.5% | \$1.54 | -0.7% | -2.24% | -0.9% | -9.56% |
| S | 87.5% | \$1.80 | 92.3% | \$1.79 | 93.2% | \$1.56 | 93.3% | \$1.73 | 90.9% | \$1.70 | - | 2.03% | 0.3% | -7.55% |
| SC | 89.7% | \$2.67 | 93.3% | \$2.73 | 92.2% | \$2.09 | 90.2% | \$1.96 | 90.5% | \$2.17 | -0.6% | -0.12% | -0.2% | -8.84% |
| SE | 81.2% | \$1.61 | 93.7% | \$1.57 | 91.3% | \$1.45 | 88.9% | \$1.60 | 84.7% | \$1.57 | 2.7% | -1.86% | -7.6% | -9.34% |
| SEC | 81.1% | \$2.00 | 91.3% | \$1.99 | 92.4% | \$1.84 | 90.1% | \$1.56 | 87.8% | \$1.73 | 2.2% | -2.59% | -3.7% | -11.48% |
| SM | 71.1% | \$1.70 | 91.4% | \$1.66 | 91.2% | \$1.56 | 84.8% | \$1.51 | 81.3% | \$1.59 | -4.5% | 4.54% | -8.2% | -1.45% |
| SW | 91.4% | \$1.83 | 93.9% | \$1.82 | 94.6% | \$1.65 | 92.1% | \$1.58 | 92.9% | \$1.70 | 1.5% | 0.89% | -0.8% | -7.85% |
| UT | 91.8% | \$2.65 | 91.8% | \$2.65 | 90.1% | \$2.16 | 91.7% | \$2.26 | 91.5% | \$2.44 | -1.9% | 1.65% | 0.6% | -5.07% |
| W | 88.9% | \$1.77 | 93.0% | \$1.76 | 91.5% | \$1.57 | 81.2% | \$1.97 | 88.9% | \$1.69 | -0.6% | -1.99% | -1.6% | -7.78% |
| WMS | 79.0% | \$1.50 | 94.2% | \$1.54 | 93.4% | \$1.48 | 91.8% | \$1.63 | 82.7% | \$1.50 | 3.0% | 0.10% | -1.6% | -12.60% |
| TOTAL | 83.3% | \$1.88 | 92.5% | \$1.90 | 92.8% | \$1.67 | 90.5% | \$1.65 | 88.3% | \$1.75 | -0.1% | -0.59% | -2.9% | -8.90% |

| | CLASS A | STAB CLASS A | CLASS B | CLASS C | TOTALS |
|------------|----------------------|----------------|----------------------|----------------------|-----------------|
| % OF TOTAL | 379 PROPERTIES (37%) | 269 PROPERTIES | 228 PROPERTIES (22%) | 430 PROPERTIES (41%) | 1037 PROPERTIES |
| | 102,747 UNITS (39%) | 77,070 UNITS | 67,867 UNITS (26%) | 92,175 UNITS (35%) | 262,789 UNITS |



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Austin Region Multi-Family Trend Report / 2Q24

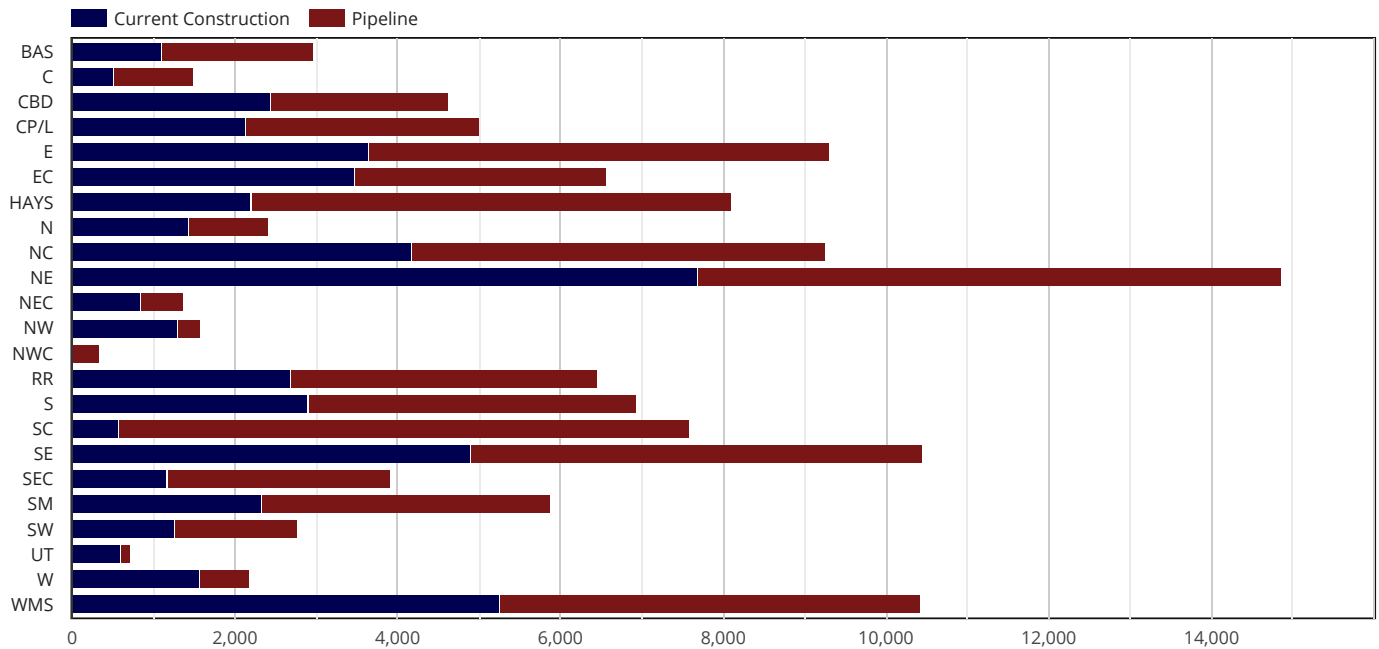
UNIT MIX

| 2Q24 | 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 | \$1,171 | 952 | \$1,347 | 1,253 | \$1,764 | - | - | 876 | \$1,313 | 3.19% | 9 |
| C | 495 | \$1,315 | 699 | \$1,564 | 1,043 | \$2,162 | 1,360 | \$3,049 | - | - | 798 | \$1,748 | 4.01% | 41 |
| CBD | 517 | \$1,834 | 815 | \$2,547 | 1,341 | \$3,931 | 2,211 | \$7,388 | - | - | 974 | \$3,005 | 4.21% | 27 |
| CP/L | 562 | \$1,112 | 751 | \$1,285 | 1,135 | \$1,699 | 1,428 | \$2,098 | 1,910 | \$2,825 | 926 | \$1,480 | 5.82% | 59 |
| E | 555 | \$1,284 | 744 | \$1,360 | 1,092 | \$1,695 | 1,264 | \$1,972 | - | - | 872 | \$1,492 | 12.23% | 15 |
| EC | 465 | \$1,312 | 730 | \$1,787 | 1,138 | \$2,466 | 1,482 | \$3,071 | - | - | 801 | \$1,901 | 7.99% | 34 |
| HAYS | 569 | \$1,188 | 728 | \$1,279 | 1,080 | \$1,619 | 1,364 | \$2,034 | 2,487 | \$2,602 | 900 | \$1,452 | 5.99% | 31 |
| N | 407 | \$938 | 675 | \$1,187 | 1,008 | \$1,524 | 1,296 | \$1,935 | 1,917 | \$2,799 | 795 | \$1,313 | 4.16% | 89 |
| NC | 514 | \$1,241 | 719 | \$1,518 | 1,086 | \$2,071 | 1,322 | \$2,343 | - | - | 806 | \$1,650 | 5.58% | 48 |
| NE | 530 | \$1,072 | 726 | \$1,228 | 1,074 | \$1,576 | 1,380 | \$2,023 | 1,725 | \$2,314 | 883 | \$1,394 | 5.92% | 81 |
| NEC | 499 | \$1,162 | 672 | \$1,183 | 965 | \$1,482 | 1,200 | \$1,977 | 1,500 | \$1,356 | 778 | \$1,307 | 5.75% | 25 |
| NW | 461 | \$944 | 727 | \$1,220 | 1,063 | \$1,557 | 1,381 | \$1,900 | 1,793 | \$2,334 | 887 | \$1,381 | 5.66% | 92 |
| NWC | 434 | \$950 | 693 | \$1,188 | 1,035 | \$1,561 | 1,418 | \$2,106 | 1,800 | \$2,494 | 843 | \$1,357 | 3.87% | 24 |
| RR | 533 | \$1,099 | 744 | \$1,231 | 1,067 | \$1,558 | 1,367 | \$1,911 | 1,790 | \$2,163 | 915 | \$1,407 | 4.35% | 56 |
| S | 494 | \$1,121 | 713 | \$1,302 | 1,048 | \$1,632 | 1,371 | \$2,102 | 1,740 | \$2,231 | 852 | \$1,447 | 4.78% | 74 |
| SC | 474 | \$1,271 | 713 | \$1,617 | 1,029 | \$2,037 | 1,555 | \$3,704 | 1,201 | \$2,252 | 811 | \$1,758 | 4.05% | 61 |
| SE | 527 | \$1,094 | 702 | \$1,195 | 1,052 | \$1,506 | 1,272 | \$1,920 | 1,193 | \$1,925 | 852 | \$1,339 | 7.14% | 33 |
| SEC | 473 | \$1,131 | 678 | \$1,270 | 987 | \$1,564 | 1,206 | \$2,035 | 1,324 | \$1,719 | 812 | \$1,405 | 4.68% | 73 |
| SM | 409 | \$1,524 | 700 | \$1,193 | 948 | \$1,387 | 1,185 | \$1,758 | 1,441 | \$1,511 | 833 | \$1,323 | 3.94% | 41 |
| SW | 546 | \$1,196 | 771 | \$1,398 | 1,113 | \$1,766 | 1,348 | \$2,117 | - | - | 928 | \$1,574 | 4.46% | 38 |
| UT | 444 | \$1,276 | 688 | \$1,719 | 1,010 | \$2,264 | 1,233 | \$3,079 | 1,710 | \$3,875 | 747 | \$1,823 | 2.72% | 13 |
| W | 423 | \$985 | 797 | \$1,476 | 1,196 | \$1,941 | 1,587 | \$2,563 | 2,164 | \$2,333 | 1,037 | \$1,756 | 4.56% | 22 |
| WMS | 606 | \$1,035 | 753 | \$1,236 | 1,103 | \$1,565 | 1,483 | \$1,992 | 2,123 | \$2,645 | 946 | \$1,422 | 10.26% | 51 |
| TOTAL | 493 | \$1,206 | 722 | \$1,352 | 1,066 | \$1,713 | 1,385 | \$2,167 | 1,606 | \$2,046 | 866 | \$1,511 | 5.45% | 1037 |
| % OF TTL | 11,199 Units 4.3% | | 146,821 Units 55.9% | | 91,963 Units 35.0% | | 11,366 Units 4.3% | | 1,422 Units 0.5% | | | | | |





DEVELOPMENT PIPELINE DISTRIBUTION



Historical Construction Activity

Quarter by Quarter Comparison

| Activity | 2Q21 | 3Q21 | 4Q21 | 1Q22 | 2Q22 | 3Q22 | 4Q22 | 1Q23 | 2Q23 | 3Q23 | 4Q23 | 1Q24 | 2Q24 |
|---------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Starts (TTL) | 4,553 | 7,044 | 7,606 | 12,856 | 7,146 | 7,867 | 5,309 | 7,090 | 3,075 | 5,577 | 6,467 | 4,994 | 1,824 |
| Submittals (TTL) | 10,922 | 9,333 | 15,226 | 8,861 | 14,456 | 11,295 | 11,318 | 5,459 | 7,148 | 4,702 | 5,575 | 4,523 | 3,531 |
| New Units Added (CNV) | 2,739 | 2,718 | 2,863 | 2,676 | 3,347 | 3,453 | 2,726 | 2,690 | 3,862 | 4,649 | 4,580 | 5,904 | 6,518 |
| New Units Added (Non-CNV) | 498 | 1,416 | 776 | 440 | 1,240 | 476 | 1,197 | 400 | 642 | 1,079 | 1,520 | 675 | 1,750 |
| Absorption (CNV) | 7,942 | 5,126 | 1,803 | 2,003 | 2,629 | 1,164 | 603 | 974 | 2,531 | 2,353 | 607 | 3,398 | 5,274 |
| Occupancy (CNV) | 94.37% | 95.51% | 95.06% | 94.57% | 94.33% | 93.39% | 92.37% | 91.70% | 91.19% | 90.36% | 88.93% | 88.43% | 88.30% |

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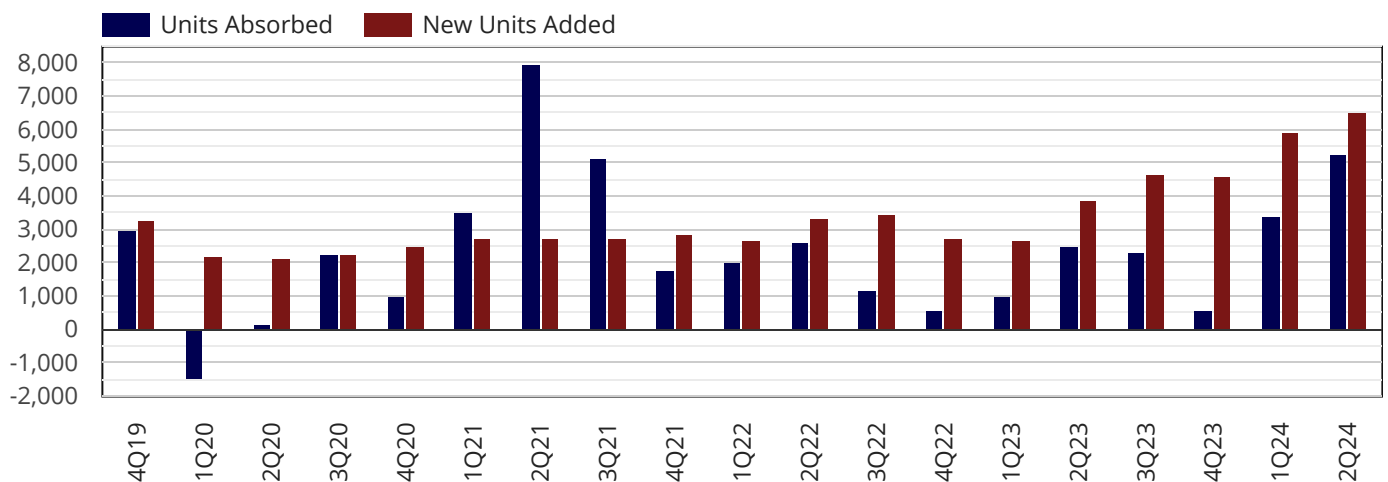
Despite sluggish rent and occupancy numbers, absorption has been impressive over the last two quarters, driven by a historically high volume of new inventory. The absorption rate for new units added last quarter stands at 60% of the 5,904 new units, and 80% of the 6,518 units added over the past 90 days. While this positive trend has caught the attention of some developers, prospects for new projects remain uncertain, as funding continues to be a major hurdle. Developers have repeatedly postponed start dates by a few months, with an increasing number delaying starts by a year or more.

The number of properties with expired, on-hold, or canceled statuses continues to rise. Nonetheless, patient developers are prepared to break ground once funding or permits are secured. Currently, there are 190 sites, comprising nearly 58,000 units across all property types, that have or are seeking permits. Over 20% of these have an approved permit in hand. New submissions and project starts continue to decline. The last 90 days saw only six projects, totaling 1,824 units, break ground, which is less than half the number from the previous quarter. Including these new additions, the

construction arena now encompasses 220 properties, totaling 54,040 units across all property types, with 91% of these slated as conventional housing. Despite the slowdown in new submissions and starts, the number of unit completions continues to rise, with expectations of a significant increase in the coming year. Developers anticipate a substantial surge in deliveries, equating to a 29% increase compared to the previous year – from 27,228 units in the past four quarters to over 35,000 units in the coming 12 months. Of this new inventory, over 28,000 units are earmarked for conventional housing.



OVERALL ABSORPTION/NEW UNITS ADDED



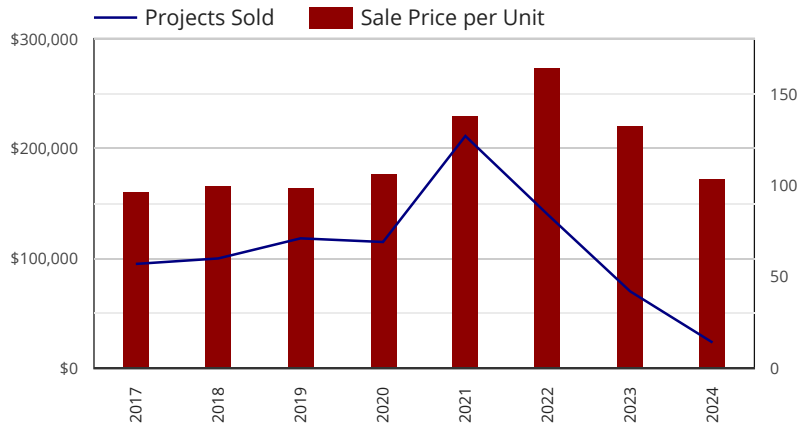
| 2Q24 | 2Q24 | | | | CNV: New Development Summary | | |
|-------|----------------------------------|---------------|-----------------|--------------|------------------------------|----------------|--------------|
| | CNV HSG Absorption & Units Added | | | | Last 12 Months | Next 12 Months | |
| | Rentable Units | New Uts Added | Net Unit Change | Absrbd Units | New Units Added | Est Starts | Est Complete |
| BAS | 1,013 | 12 | 12 | -1 | 12 | 492 | 630 |
| C | 6,966 | - | - | 3 | 268 | 754 | 274 |
| CBD | 6,848 | 205 | 205 | 193 | 1,008 | 730 | 1,527 |
| CP/L | 16,917 | 310 | 310 | 317 | 1,577 | 2,166 | 1,842 |
| E | 3,768 | 326 | 326 | 163 | 1,514 | 3,669 | 872 |
| EC | 8,329 | 308 | 308 | 44 | 545 | 859 | 1,938 |
| HAYS | 7,428 | 920 | 920 | 381 | 1,361 | 1,706 | 1,379 |
| N | 23,178 | 374 | 374 | 539 | 906 | 598 | 1,307 |
| NC | 12,774 | 521 | 521 | 195 | 1,479 | 1,683 | 2,590 |
| NE | 24,070 | 592 | 592 | 356 | 1,987 | 2,647 | 4,818 |
| NEC | 5,155 | 153 | 173 | 73 | 533 | - | 518 |
| NW | 27,339 | 140 | 43 | 210 | 140 | 279 | 1,029 |
| NWC | 6,002 | - | - | -16 | - | 323 | - |
| RR | 15,036 | 337 | 244 | 112 | 933 | 1,621 | 1,708 |
| S | 18,321 | 220 | 220 | 203 | 818 | 2,886 | 2,040 |
| SC | 12,948 | 235 | 235 | 138 | 369 | 1,888 | 570 |
| SE | 9,591 | 313 | 314 | 520 | 1,829 | 1,720 | 1,759 |
| SEC | 18,046 | - | - | 402 | 1,208 | 2,329 | 92 |
| SM | 6,782 | 392 | 392 | 31 | 636 | 1,226 | 753 |
| SW | 11,630 | 61 | 61 | 226 | 512 | 1,070 | 330 |
| UT | 1,962 | - | - | -37 | - | 65 | - |
| W | 6,083 | 11 | 11 | -29 | 137 | - | 355 |
| WMS | 12,523 | 1,088 | 1,093 | 1,251 | 3,879 | 3,320 | 2,164 |
| Total | 262,709 | 6,518 | 6,354 | 5,274 | 21,651 | 32,031 | 28,495 |

Continued from page 7

Submarkets expected to receive larger portions of the new inventory include: NE (17%), NC (9%), S, EC, CP/L and WMS (each at 7%).

The chart on page 10 reflects the latest year's absorption, and two of the above submarkets, S and WMS, performed exceptionally well. With exception to SC, the central areas didn't fare well at all, however the remainder were close to the annual average that covered near 52% of the 21,651 new conventional units. As depicted in the chart to the left, the forecast for new market rate developments over the next year is significant, totaling almost 28,500 new units. This represents an addition of roughly 11% of the current inventory and is up 24% over the prior twelve months. Approximately 61% of these units are slated to enter the market during the next 180 days. While two successful quarters of notable absorption gains does not make a trend, it may add momentum to any fence sitters contemplating new builds. Despite the large number of anticipated starts, at 32,031 units across nearly 100 projects, the reality may be a bit different, as there is a scarcity of projects with secured funding. Coupled with prevailing market conditions, these future prospects have some hurdles to clear. Encouragingly, 2024 has witnessed a record influx of units, and an impressive absorption rate. This positive trend provides a glimmer of hope in a market that has experienced a downturn since mid-2022.

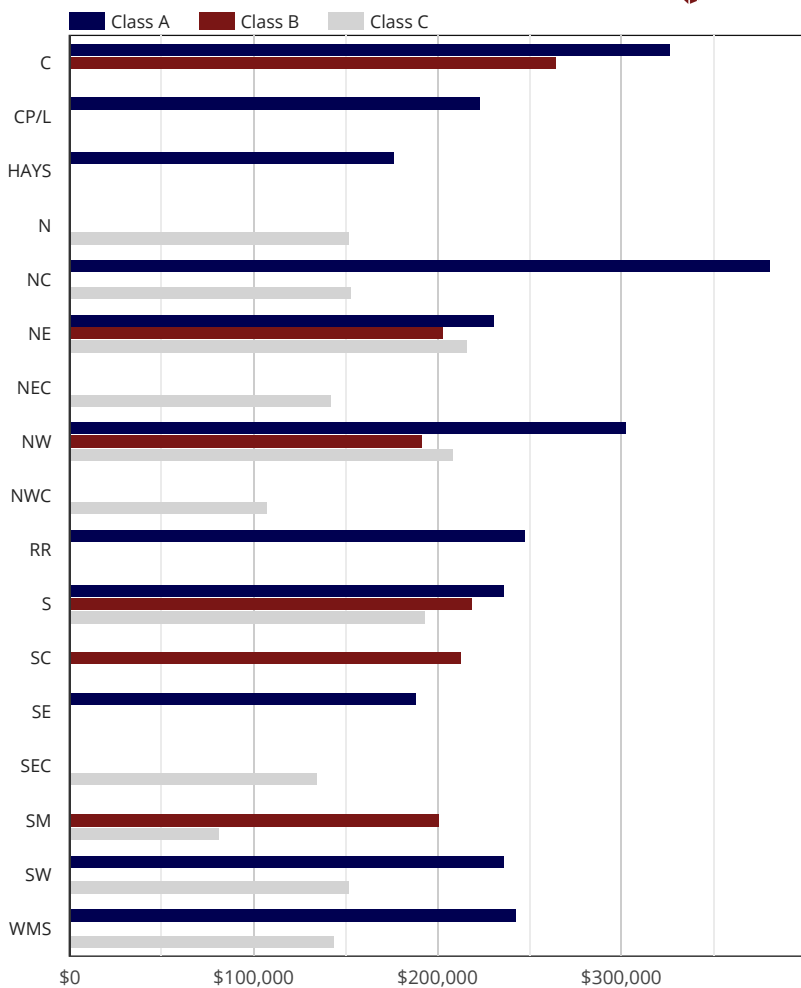
HISTORICAL SALES PRICE/UNIT



Second Quarter Sales

| Project:* | Submarket | Units |
|---|-----------|-------|
| 1 - 21 Pearl (SH) | UT | 134 |
| 2 - 302 North | WMS | 176 |
| 3 - Alister Sunset Valley (Park on Bro) | S | 291 |
| 4 - Arbors of Wells Branch | N | 212 |
| 5 - Bridge at Arella Lakeline (Arella) | CP/L | 354 |
| 6 - Falls on Bull Creek, The | NWC | 344 |
| 7 - Oaks on Marketplace | HAYS | 254 |
| 8 - Pioneer Hill | NE | 300 |
| 9 - Pointe on Rio (SH) | UT | 122 |
| 10 - Stetson (Vineyard Hills) | SW | 202 |
| 11 - Toscana | NW | 358 |

ANNUAL SALES PRICE PER UNIT BY SUBMARKET



Due to sales confirmation delays, some sales may not be reported. However, you can access all sales back to the 1990's at www.apartmenttrends.com through your subscription.

During the second quarter, transactions totaled 11 assets with a unit count of 2,747, and an average price per unit of \$176,943. As shown in the chart above left, pricing is comparable to 2020 levels. When combined with first quarter data, mid-year numbers reflect a decline compared to the same period last year, which also had low transaction volumes. Total sales for the first six months decreased from 21 in 2023, to 18 transactions in 2024.

The market downturn, an increasing number of forced sales, and negative equity in properties purchased in recent years have made lenders more risk-averse. Investors are now required to leverage 50-60% of their mortgages.

Overall, these factors have contributed to a 25% decline in average prices in 2024, dropping to \$175,715 compared to the first half of 2023. Notably, over 30% of the total inventory, amounting to 407 properties and nearly 101,000 units, has transacted since July 2020. However, only about a third of these transactions occurred in the last two years, reflecting a recent decline in market activity.

At the end of the second quarter, only 28 properties were actively listed on the market, with more than half of these being sales from the past four years. Many brokerage firms are finding that properties often get shelved, only to re-enter the market at a later date. Although investors remain plentiful, the current commanded prices are not matching those of the previous few years.

Austin Region Multi-Family Trend Report / 2Q24

MARKET OVERALL

| 2Q24 | CURRENT CONSTRUCTION | | CNV COMPLETIONS | | ABSORPTION | | OCCUPANCY | | RENTAL | | ANNUAL SALES \$ Per Unit |
|-------|----------------------|---------------------|-----------------|--------|------------|--------|-----------|---------------|--------|---------------|--------------------------|
| | Rentable Units | CNV Const Remaining | 12 MOS | 24 MOS | 12 MOS | 24 MOS | 2Q24 | Annual Change | 2Q24 | Annual Change | |
| BAS | 1,013 | 921 | 12 | 12 | -29 | -24 | 93.98% | -4.02% | \$1.50 | -4.37% | - |
| C | 6,966 | 502 | 268 | 268 | 18 | 3 | 90.58% | -3.38% | \$2.19 | -5.57% | \$278,634 |
| CBD | 6,848 | 2,436 | 1,008 | 1,461 | 293 | 741 | 84.49% | -5.66% | \$3.09 | -1.61% | \$229,730 |
| CP/L | 16,917 | 1,945 | 1,577 | 2,596 | 1,156 | 1,733 | 89.99% | -1.57% | \$1.60 | -8.72% | \$222,902 |
| E | 3,768 | 2,896 | 1,514 | 1,777 | 631 | 1,031 | 77.97% | -12.85% | \$1.71 | -12.10% | - |
| EC | 8,329 | 2,926 | 545 | 1,064 | 352 | 827 | 88.62% | -1.68% | \$2.37 | -8.30% | - |
| HAYS | 7,428 | 1,801 | 1,361 | 1,913 | 484 | 1,069 | 82.81% | -10.60% | \$1.61 | -9.83% | \$177,165 |
| N | 23,178 | 1,307 | 906 | 1,090 | 310 | -340 | 88.78% | -2.83% | \$1.65 | -10.65% | \$151,729 |
| NC | 12,774 | 3,987 | 1,479 | 1,808 | 721 | 796 | 86.34% | -5.36% | \$2.05 | -6.04% | \$270,603 |
| NE | 24,070 | 6,345 | 1,987 | 5,068 | 1,254 | 3,237 | 87.80% | -2.22% | \$1.58 | -9.12% | \$218,660 |
| NEC | 5,155 | 518 | 533 | 760 | 1 | 58 | 81.55% | -9.64% | \$1.68 | -5.79% | \$142,442 |
| NW | 27,339 | 1,029 | 140 | 140 | -2 | -469 | 92.21% | -0.13% | \$1.56 | -11.64% | \$224,115 |
| NWC | 6,002 | - | - | - | -147 | -268 | 90.07% | -2.45% | \$1.61 | -13.95% | \$107,849 |
| RR | 15,036 | 1,708 | 933 | 2,100 | 630 | 1,019 | 89.49% | -0.86% | \$1.54 | -9.56% | \$247,768 |
| S | 18,321 | 2,700 | 818 | 1,911 | 792 | 1,198 | 90.90% | 0.25% | \$1.70 | -7.55% | \$216,584 |
| SC | 12,948 | 570 | 369 | 563 | 304 | -48 | 90.49% | -0.24% | \$2.17 | -8.84% | \$213,000 |
| SE | 9,591 | 3,569 | 1,829 | 2,513 | 958 | 1,429 | 84.75% | -7.64% | \$1.57 | -9.34% | \$188,404 |
| SEC | 18,046 | 827 | 1,208 | 1,446 | 442 | 732 | 87.82% | -3.70% | \$1.73 | -11.48% | \$135,145 |
| SM | 6,782 | 1,118 | 636 | 1,032 | -79 | -88 | 81.27% | -8.24% | \$1.59 | -1.45% | \$117,459 |
| SW | 11,630 | 702 | 512 | 512 | 387 | 14 | 92.86% | -0.80% | \$1.70 | -7.85% | \$202,171 |
| UT | 1,962 | 423 | - | 79 | 11 | 27 | 91.49% | 0.56% | \$2.44 | -5.07% | - |
| W | 6,083 | 1,178 | 137 | 316 | 26 | -15 | 88.85% | -1.61% | \$1.69 | -7.78% | - |
| WMS | 12,523 | 4,082 | 3,879 | 5,953 | 3,119 | 4,242 | 82.66% | -1.56% | \$1.50 | -12.60% | \$209,223 |
| Total | 262,709 | 43,490 | 21,651 | 34,382 | 11,632 | 16,904 | 88.30% | -2.89% | \$1.75 | -8.90% | \$194,667 |

Industry Composition



No data

| Industry Size Class | | | |
|---------------------|--------------------|--------------------------|--------------------|
| Size Class | Employees per firm | Employment in size class | % Total Employment |
| 9 | 1000 and over | 368,961 | 29.9 |
| 8 | 500-999 | 108,403 | 8.8 |
| 7 | 250-499 | 128,180 | 10.4 |
| 6 | 100-249 | 174,138 | 14.1 |
| 5 | 50-99 | 124,015 | 10.1 |
| 4 | 20-49 | 135,640 | 11 |
| 3 | 10-19 | 77,410 | 6.3 |
| 2 | 5-9 | 53,944 | 4.4 |
| 1 | 1-4 | 56,606 | 4.6 |

Employment by Industry

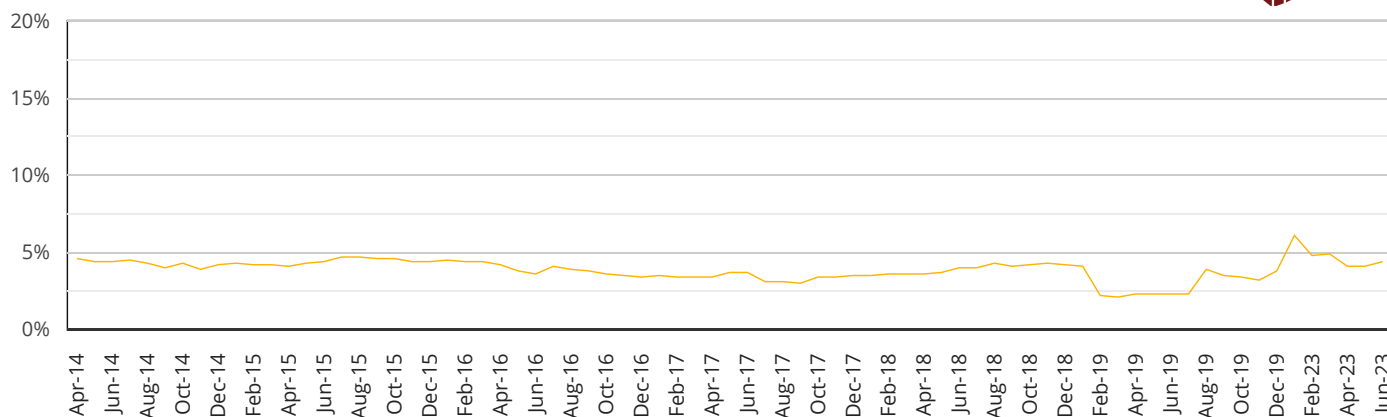
| | Jun-2023 | May-2023 | Jun-2022 | Monthly Change | | Annual Change | |
|--------------------------------------|------------------|------------------|------------------|----------------|------------|---------------|------------|
| | | | | Actual | % | Actual | % |
| Mining, Logging and Construction | 84,800 | 83,200 | 80,400 | 1,600 | 1.9 | 4,400 | 5.5 |
| Total Nonfarm | 0 | 0 | 0 | -7,600 | -0.7 | 24,400 | 2.3 |
| Manufacturing | 74,200 | 72,800 | 70,400 | 1,400 | 1.9 | 3,800 | 5.4 |
| Trade, Transportation, and Utilities | 207,800 | 208,000 | 202,400 | -200 | -0.1 | 5,400 | 2.7 |
| Information | 53,700 | 53,000 | 52,100 | 700 | 1.3 | 1,600 | 3.1 |
| Financial Activities | 80,300 | 79,300 | 79,300 | 1,000 | 1.3 | 1,000 | 1.3 |
| Professional and Business Services | 287,100 | 283,300 | 269,700 | 3,800 | 1.3 | 17,400 | 6.5 |
| Education and Health Services | 148,900 | 146,500 | 141,300 | 2,400 | 1.6 | 7,600 | 5.4 |
| Leisure and Hospitality | 149,200 | 149,200 | 139,900 | 0 | 0.0 | 9,300 | 6.6 |
| Other Services | 51,400 | 50,700 | 48,900 | 700 | 1.4 | 2,500 | 5.1 |
| Government | 190,400 | 191,000 | 187,100 | -600 | -0.3 | 3,300 | 1.8 |
| Total Nonfarm | 1,327,800 | 1,317,000 | 1,271,500 | 10,800 | 0.8 | 56,300 | 4.4 |

Data provided by the Texas Workforce Commission

Austin Region Multi-Family Trend Report / 2Q24



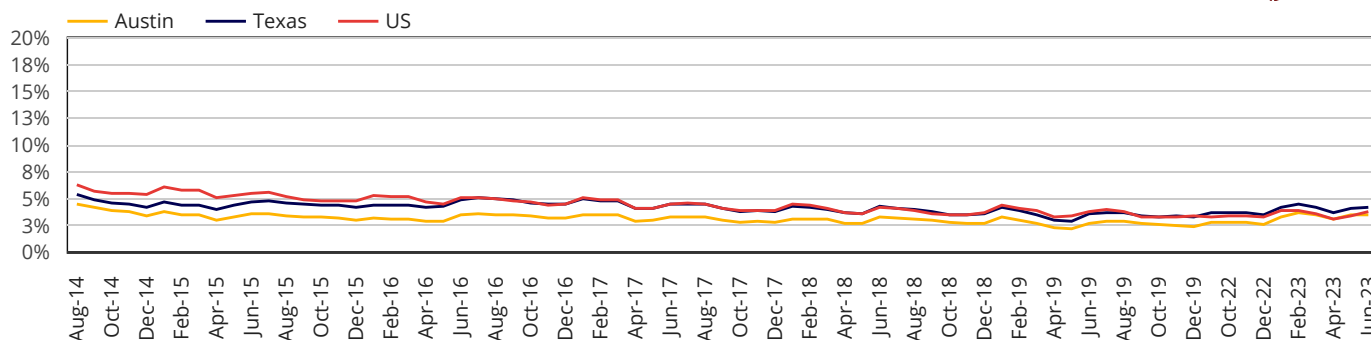
Annual Growth Rate for Total Nonagricultural Employment



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 | |
| Jun-2023 | 1,445,058 | 1,394,644 | 50,414 | 3.5 | 15,047,450 | 14,418,774 | 628,676 | 4.2 | 167,910,000 | 161,559,000 | 6,351,000 | 3.8 |
| May-2023 | 1,432,232 | 1,382,527 | 49,705 | 3.5 | 14,968,640 | 14,355,155 | 613,485 | 4.1 | 166,702,000 | 161,002,000 | 5,700,000 | 3.4 |

Historical Unemployment Rates



Data provided by the Texas Workforce Commission



RESOLUTION NO. 02817

APPROVAL OF THE ADOPTION OF THE REVISED HOUSING CHOICE VOUCHER PROGRAM 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 an 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 100% of the currently published fair market rents for all bedroom unit sizes for all Housing Choice Voucher programs except for the HUD-VASH, Stability Voucher, and Emergency Housing Voucher programs.

The proposed payment standards are as follows:

| No. of bedrooms | Eff. | 1 br | 2 br | 3br | 4 br | 5 br |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Payment Standards | \$1,519 | \$1,635 | \$1,924 | \$2,470 | \$2,840 | \$3,266 |


WHEREAS, HUD allows PHAs to establish payment standards between 90 percent and 120 percent for the HUD-VASH, Stability Voucher, and Emergency Housing Voucher programs. These programs serve persons experiencing homelessness who have barriers to secure housing. Thus, the Housing Authority of the City of Austin will establish the payment standards for these programs at 120% of the current published FMRs to allow greater access to affordable housing.

The proposed payment standards for the HUD-VASH, Stability Voucher, and Emergency Housing Voucher programs are as follows:

| No. of bedrooms | Eff. | 1 br | 2 br | 3br | 4 br | 5 br |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Payment Standards | \$1,822 | \$1,962 | \$2,308 | \$2,964 | \$3,408 | \$3,919 |

NOW, THEREFORE, BE IT RESOLVED that the Housing Authority of the City of Austin's Board of Commissioners adopt payment standards as outlined above to go into effect on February 1, 2024.

PASSED, APPROVED, and ADOPTED this 19th day of October 2023.



Michael G. Gerber, Secretary



Chairperson

HOUSING AUTHORITY OF THE CITY OF AUSTIN

BOARD ACTION REQUEST

RESOLUTION NO. 02863

TMI ITEM NO. 4.

MEETING DATE: September 19, 2024

STAFF CONTACT: Jorge Vasquez, Director of TMI

ITEM TITLE: Presentation, Discussion, and Possible Action regarding Resolution No. 02863 awarding a contract for cybersecurity services to Solis Security

BUDGETED ITEM: Yes

TOTAL COST: \$144,449.00 per year for 5 years

ACTION

The Board is asked to approve the award of an annual contract for cyber security services to Solis Security. This would be an annual contract not to exceed 5 years.

SUMMARY

Background:

The goal of this contract is to enhance HACA's security posture by leveraging a combination of existing platform features and specialized vendor expertise. This partnership aims to protect sensitive data, fortify our defenses against cyber threats, and ensure the resilience of our IT infrastructure. By engaging with specialized vendors, HACA seeks to strengthen its overall cybersecurity framework, ensuring robust protection and compliance with industry standards.

Process:

The Housing Authority of the City of Austin issued Request for Proposal HACA-24-P-0259 on June 21, 2024, with a submission deadline of July 26, 2024. An online pre-bid conference was held on July 11, 2024, and a total of 29 proposals were received. A cross-departmental committee, composed of stakeholders with interests in cybersecurity, was formed to evaluate and score all submissions. The top 5 proposals were shortlisted for further review and follow-up interviews.

Staff Recommendation:

Staff recommends accepting the proposal from Solis Security in the amount of \$141,817.00 annually with a one time fee of \$2,632.00, as the most comprehensive and advantageous option for HACA's needs. Solis Security demonstrated extensive relevant experience, responsiveness, and flexibility in addressing potential issues. Additionally, being locally based adds convenience, and their positive references further support this recommendation.

ATTACHMENTS:

- ▣ **Pricing Summary**

RESOLUTION NO. 02863

APPROVAL OF AWARD OF CONTRACT FOR CYBER SECURITY SERVICES

WHEREAS on July 26th., 2024, the Housing Authority of the City of Austin received via the Housing Authority Marketplace portal, bids to award a contract for Cyber Security Services, and;

WHEREAS, it is the recommendation of the President and CEO that the proposal from Solis Security in the amount of \$141,817.00 annually with a one time fee of \$2,632.00 be accepted as the most comprehensive and advantageous bid;

NOW, THEREFORE BE IT RESOLVED, that the Housing Authority of the City of Austin Board of Commissioners authorizes the President & CEO to accept the proposal and award such contract.

PASSED, APPROVED AND ADOPTED this 19th day of September, 2024.

Michael Gerber, Secretary

Chairperson



SOLIS FINAL PRICING SUMMARY

Transparent pricing structure, including any recurring fees, setup costs, and additional charges for optional services.

| Solis Pricing Summary | | | | |
|---|------------|-----|---------------|--------------------|
| Managed Service | Price | QTY | Billing Freq. | Subtotal |
| Managed Detection & Response Services (endpoints) | \$3.99 | 325 | Monthly | \$1,296.75 |
| Managed Threat Hunting Services (endpoints) | \$3.00 | 325 | Monthly | \$975.00 |
| Internal and External Vulnerability Oversight (internal IP's) | \$2.15 | 370 | Monthly | \$795.50 |
| Solis mXDR and Next-Gen SIEM (endpoints) | \$5.90 | 325 | Monthly | \$1,917.50 |
| Security Awareness Training Platform including Quarterly Phishing Exercises (users) | \$3.75 | 250 | Monthly | \$937.50 |
| Business Email Compromise & Prevention | \$4.75 | 250 | Monthly | \$1,187.50 |
| Virtual Chief Information Security Officer | \$2,500.00 | 1 | Monthly | \$2,500.00 |
| Recurring Fee Total | | | | \$ 9,609.75 |
| Onboarding and Set-Up for Managed Services (one-time fee) | | | | \$ 2,632.00 |

The highlighted services above are not being delivered under HACA's current Solis agreement; we're recommending Security Awareness Training based on the RFP requirements. We're also recommending our Business Email Compromise Prevention service for blocking phishing attacks, credential harvesting and other targeted phishing. We consider these to be critical protections.

| Professional Services | | | | |
|------------------------------------|--|--|--|---------------------|
| Cybersecurity Risk Assessment | | | | \$ 18,000.00 |
| Incident Response Plan Development | | | | \$ 5,000.00 |
| Tabletop Exercise | | | | \$ 3,500.00 |
| Professional Services Total | | | | \$ 26,500.00 |

Solis Confidential

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