

RESOLUTION NO. 20170323-XXX

WHEREAS, the City Council authorized the acquisition of HealthSouth's interest as tenant at 1215 Red River and the purchase of HealthSouth's property at 606 East 12TH Street on December 15, 2016, and the City of Austin closed this transaction on February 28, 2017; and

WHEREAS, the property was used by HealthSouth as a rehabilitation hospital until November 2016; and

WHEREAS, HealthSouth had three floors of patient rooms and individual restrooms, office space, a large commercial kitchen on the first floor and smaller kitchens and laundry facilities on the second and third floors; and

WHEREAS, the property is well-located Downtown, close to existing jobs and within the expanded medical complex developing around the Dell Medical School, Central Health, and Seton Hospital; and

WHEREAS, a substantial number of jobs affiliated with the medical complex can be anticipated in custodial services, food preparation, and other lower-wage employment opportunities; and

WHEREAS, very few housing options in Downtown are priced at a level that would be affordable to such workers; and

WHEREAS, Imagine Austin and other planning documents speak to the need to locate housing closer to jobs so that more Austinite's can live closer to where they work; and

WHEREAS, the City of Austin’s draft Strategic Housing Plan identifies a need for more than 48,000 units serving individuals with a median family income of \$25,000 or less (30% MFI); and

WHEREAS, multiple City plans have called for utilizing public land for affordable housing; and

WHEREAS, the configuration and excellent condition of the HealthSouth building presents an unusual opportunity to consider innovative housing options; and

WHEREAS, the building might afford the opportunity to house individuals in the relative near future; and

WHEREAS, the building has space that could be used for amenities that benefit residents and the surrounding community, such as on-site childcare or afterschool programs; and

WHEREAS, the existing office space might also be of interest to nonprofit organizations operating within the Downtown area; and **NOW, THEREFORE,**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

That the City Council directs the City Manager to do the following:

- Evaluate the HealthSouth building for its potential to provide affordable housing in the range of 60% median family income or below, as well as some market rate housing for individuals and families. The evaluation should consider options for:

- maintaining the existing room configuration;
 - substantially reconfiguring the space; or
 - embarking on a mixture of the two approaches.
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- Estimate the general costs of and minimum timetable for achieving these options and identify potential funding strategies for doing so.
 - Identify potential private entities that could partner on developing the housing component.
 - Provide general information about the square footage that could be rented to nonprofit or other organizations if the building is primarily reserved for housing.
 - Recommend whether the City should consider renting out space in the near term, while also evaluating longer-term possibilities for HealthSouth.
 - Sketch out some next steps and a potential timetable in the circumstance that Council chooses to move forward with a more detailed analysis and/or implementation of a concept that includes the elements described in this resolution.

BE IT FURTHER RESOLVED, that the City Manager is directed to present at least preliminary information to the Council by June 1, 2017.

ADOPTED: _____, 2017

ATTEST: _____

Jannette S. Goodall
City Clerk

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