

Austin Housing Finance Corporation Meeting Transcript – 11/19/2015

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[8:19:53 PM]

We're going to recess the council meeting and we are going to call to order the Austin housing finance corporation board of directors meeting. It is 8:21. We are in the Austin city council chambers. Today is Thursday, November 19th, 2015. We have a quorum of directors present. We will now begin this meeting.

[8:21:55 PM]

Would you please take us through it?

>> Yes, sir. Board of directors, Betsy Spencer, treasurer of the Austin housing finance corporation. We have five items on the agenda, which I offer on consent. The first item is approval of the minutes of the last board meeting on October 15th. The second item is to conduct a public hearing and receive public comments regarding the issuance of up to \$25 million of multi-family housing revenue bonds authorizing the Austin housing finance corporation to act as the issuer. Item number 3 is setting the public hearing to receive comment on an 8-million-dollar productivity volume cap multi-family housing non-recourse bond, that would be set for December the 17th. Items 4 and 5 are both resolutions approving amended and restated bylaws for -- number 4 for the Austin housing finance corporation Aldridge 51 non-profit corporation and item number 5 is in regards to the Austin housing finance corporation 1034 Clayton lane property. And so those bylaws were previously approved. They are substantially -- they're not immaterial. They are cleanup changes. It really authorizes the amendments from the original bylaws to allow for action to be taken by written consent of the board in lieu of a physical or telephonic meeting. The members happen to be myself, Burt Lumbreras and Rebecca giaello. And I'm happy to answer any questions.

>> Mayor Adler: We have two speakers. Gus Pena and jay white? They're not here. We have no speakers. Is there a motion to approve the items 1 through 5 on this agenda? Mr. Casar so moves. Ms. Garza seconds.

>> Houston: I have a question.

>> Mayor Adler: Yes, Ms. Houston.

>> Houston: On agenda item number 3, the property on Clayton lane, could you describe that a little bit more what's going to happen there?

[8:24:05 PM]

There's already a property there, right?

>> Yes, ma'am. It's the rehabilitation of a property. I think it's about 120 units. It is predominantly one, two three and four bedroom. It is well positioned for family units. It is located roughly at 35 and 290 near the target, so it is a rehab project so it is preserving an existing affordable project. And again, it will facility a lot of family units and there will also be some units for permanent supportive housing.

>> Mayor Adler: Any further discussion on these items? Mr. Zimmerman?

>> Zimmerman: I have a quick question. I did receive today at about 11:40 my first example of one of these loan agreements. I think it was last year's cross creek that was executed in July of 2014. And I just had a couple of really quick questions. So I went through the 30 pages, about 38 sections and 30 pages of documentation, and it does refer to the promissory note document, which was also attached. And on that promissory note I did not find anything in the documentation that talked about a forgivable loan. I didn't see that anywhere. I did see under the promissory note there was a one percent interest rate, the term was 40 years, and there's no requirement to pay principal, but there is a requirement every July to pay one percent of the interest, which would be \$20,000.

>> You are correct. I misspoke on Tuesday when you brought it up. Many of our transactions are deferred forgivable. That particular transaction does have interest payments.

>> Zimmerman: Okay. So was that payment made last year for \$20,000 or this year in July?

>> It has been invoiced. The developer has asked to defer that payment as they are pending their permanent financing. But we did invoice for the payment.

>> Zimmerman: Okay. All right.

[8:26:06 PM]

Thanks.

>> You're welcome.

>> Mayor Adler: Okay. Any further questions? Ms. Troxclair?

>> Troxclair: On item number 2 there's a note that the developer plans to make a significant percentage of affordable units available to veterans and their families participating in the wounded warrior project and in need of an accessible unit. How is that confirmed or followed up on? I mean, what does a significant percentage mean and how do we identify that that happens?

>> That will typically be handled through the final agreement. We often will detail in there the monitor requirements and what the percentages are. So we're not at that point yet because we're conducting the public hearing and so when we get to final execution of the loan agreement then we'll be able to detail that more clearly.

>> Troxclair: That would come back to council?

>> Um, I believe so. We've got bond counsel here. Yes? Yes, it will come back to council.

>> Troxclair: Okay, thank you.

>> Mayor Adler: Okay. Any further questions? The motion is to approve items 1 through 5 on this agenda. No further discussion those in favor please raise your hand? And also including closing the public hearing on these items as is appropriate. Those in favor raise your hand? Those opposed? It's unanimous -- oh, Mr. Zimmerman voting no, the others voting aye. That concludes all our business. We adjourn our meeting of the Austin housing finance corporation.