

Austin Housing Finance Corporation Meeting Transcript – 1/28/2016

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I'm going to go ahead and recess the Austin city council meeting and call to order the Austin housing finance corporation, board of directors meeting on this Thursday, January 28, 2016. The council chambers of austin, city hall, 301 west second street. Do you want to take us through our agenda?

>> Good afternoon, board of directors of directors, Betsy Spencer, treasurer of the Austin housing finance corporation. We have six items today. The first five I offer on consent and item 6 is a public hearing and I'm available for questions.

>> Mayor Adler: Okay. There's been an offer of the first five items.

[5:16:51 PM]

>> Zimmerman: Mr. Mayor, I'd like to pull item 3, the \$700,000 to foundation communities.

>> Mayor Adler: Okay. Is there a motion to approve consent with items one, two, four, five? By Ms. Garza. Moved. Is there a second? Mr. Renteria. Thank you. We have one speaker -- no. That's on five. We have one speaker on four and five. Gus Pena. Is Mr. Pena here? Okay. Then we'll proceed. It's been moved and seconded for the consent agenda. Items one, two, four, five. Any debate? Hearing none, please raise your hand if you vote yes. Ms. Houston? How are you voting?

>> Houston: I'm sorry. I wasn't ready to vote yet because I was looking at the 225 units and, again, it's one -- studios, one bathrooms, again-- bedrooms, it doesn't have any desire in format has to do with -- in affordability has to do with families and there's no family component and most of these are market rate, only 58 affordable rates so I'm going to be voting against it.

>> Mayor Adler: Okay.

>> I'm sorry, that's number 5.

>> Mayor Adler: Number 5. So let's vote on one, two, four. Those in favor of one, two, four, please raise your hands. Those opposed? Zimmerman voting no, troxclair and pool off the dais. Those three are approved. Eight to one, with two off the dais. That gets us then to item number 3. Is there -- is there a motion to approve item 3?

[5:18:55 PM]

Ms. Garza moves. Seconded by Mr. Renteria. Any discussion on this item number 3? Mr. Zimmerman.

>> Zimmerman: Thank you, Mr. Mayor. So help us understand. This was a very bitterly contested project last year. I'm going to -- I guess, about 80% of the constituents in river place, in district 6, were strongly opposed to the project. Probably about 80%. And so then it looks like we're coming back and asking for a significant increase in taxpayer funding. Or I should say tax shelter funding for this. And do we know why this would come up? I'm still not clear why we need to increase this by so much money.

>> I'm going to invite the developer up to explain.

>> Walter, director of foundation communities. A year ago we were just in the initial planning stage and applying for tax credits and were capped at the amount of funds we could request from the city. I think we always anticipated when we got the plans done, bid, and -- the project fully put together, we would have the opportunity to request additional funds. In -- specifically, this site, we want to be really sensitive to the environment. There's some features on the site that weren't in any of the city topographic maps, a ravine, so we've had to reorient the roadway into the property and divide the learning center and office building into two buildings and that was a cost driver.

>> Zimmerman: So my issue and objection to this of course is everybody faces these -- faces very high development costs in the city. They face development risks. They run into some environmental feature and, you know, this helps explain why housing is so unaffordable.

[5:20:56 PM]

So my constituents are not happy with the fact that, you know, they were already against this project. They were forced to pay for it against their will. Then there's a cost overrun and you're able to come back and demand more money from the taxpayers. This is really hard for people to stomach, you know, so I'm going to be voting against this. It's very disappointing.

>> Mayor Adler: Ms. Tovo.

>> Tovo: Mr. Morrow, there are 125 units at this development? Is that correct?

>> 120.

>> Tovo: 120. And as I recall, this was oriented just to get back to the point that councilmember Houston made earlier, that this is designed to be one of your family friendly developments, as I remember, is that right?

>> Correct. So it's apartments plus a learning center and really designed for families with children, larger units, two, three bedroom units in a part of Austin that doesn't have affordable rental housing, great area, shopping area, we have a lot of neighborhood support from river place and the community there.

>> Tovo: Can you remind me what the stat is for the children for the children would participate in the afterschool programs.

>> Last semester our 700 kids had a 3.35gpa. We're very proud of them. The learning center, our kids really are a part of the school and the school's success.

>> Tovo: Great. Thanks very much for the work that you're doing.

>> Thanks.

>> Mayor Adler: Okay. I think we have a motion to approve number three. It's been seconded. Any further discussion in those in favor please raise your hand. Those opposed? Zimmerman voting no, troxclair off the dais. It is 9-1, with one off the dice. That's approved. That gets us up to item Number 5. You pulled this one, M R. Zimmerman?

[5:23:05 PM]

>> Zimmerman:.

>> Houston: Emotion, mayor, I thought we handled -- I'm sorry, mayor, I thought we handled item 5. I thought everybody voted for it except me.

>> Mayor Adler: No. That was --

>> Speaker1: No?

>> Mayor Adler: I think -- I think I called up the consent. I think the first one that got pulled -- am I confused now on the Numbers here? I'm right? Mr. Zimmerman pulled number 5 to start off with. Then you pulled number 3. We approved one, two, four with the first vote --

>> Zimmerman: I pulled three and you pulled five off because she had a question.
>> Mayor Adler: Okay. So we've now approved one, two, and -- one, two, four, and five.
>> Zimmerman: One, two, three, four.
>> Mayor Adler: One, two, three, four.
>> Zimmerman: We're on five. Councilmember Houston just had questions about, I think, the size --
>> Mayor Adler: I had the right Numbers just who had the question. Feel better now. All right, Ms. Houston.
>> Houston: Well, my questions have been answered.
>> Mayor Adler: Okay.
>> Houston: And, again, my concern is that out of 225 units, right adjacent to a -- the M station is -- we've got the -- 167 have no income restrictions and most of them are for singles and not for families. And I thought I said I'm voting against it because of that.
>> Mayor Adler: That's fine. Is there a motion to approve item number 5? Ms. Garza moves. Ms. Pool seconds. Any discussion? Those in favor -- Mr. Zimmerman.
>> Zimmerman: Very quick question, thank you, Mr. M mayor. On the back page of the backup actual, it says on the project characteristics, 225 units and it says unit MIX. Then it says affordable rents, approximately four to \$627 per month. See where I am there? Kind of at the top of the back page?

[5:25:07 PM]

I believe that's --

>> Yes.
>> Zimmerman: That's the only place that talks about rents.
>> Yes, sorry.
>> Zimmerman: So the question is, these are subsidized rents and so it's not an easy calculation but I think it's a very important calculation to know how much are these subsidies costing? In other words, other rents, other taxes are going to have to increase to provide for these subsidies. So has there been an attempt to calculate how much the non-subsidized rents are going to increase in order to subsidize these rents? Do we know what that number is?
>> No, I do not know.
>> Zimmerman: That's very, very important number because the constituents are complaining today that the existing housing stock is already unaffordable. So when we subsidize these new units, other units are going to have to increase in price so we can provide for these subsidized units. The number the others go up is very, very important. And I never do get that data. So I'm going to be voting no on this.
>> Mayor Adler: Okay. There's been a motion. Second on number 5. Any further debate? Those in favor please raise your hand. Those opposed? Houston and Zimmerman, no. Troxclair off the dais. The rest voting aye. So that is 8-two, with one off the dais. That gets us to the public hearing on number 6. We have one speaker, again, Gus Pena. Is Mr. Pena here? Still gone. That gets us to item number 6. Is there a motion to approve item number 6? Ms. Tovo moves. Ms. Tovo moves adoption for I T. Is there a second for it? Ms. Pool seconds that. Is there any discussion on item number 6? This is also to close the hearing.

[5:27:10 PM]

>> I'm sorry, I'm sorry.
>> Mayor Adler: We okay? Those in favor please raise your hand.
>> Zimmerman: This is to close the hearing.
>> Mayor Adler: Close the hearing and to approve it.

>> Zimmerman: I don't want to approve it. Just close the hearing. I'll just say no.

[Laughter]

>> Mayor Adler: Those in F avor -- this is to approve it and to close the hearing. Those raising your hands? First -- those in favor of closing the hearing please raise your hand? It's everybody, troxclair off the dais. Next vote, those in favor please raise your hand those opposed? Mr. Zimmerman voting no, troxclair off the dais. That's approved. I think that concludes all of our business. Is that right?

>> Yes.

>> Mayor Adler: It does. Thank you very much. So we adjourn the Austin housing finance corporation meeting. We resume and are back to the Austin city council meeting.

>> Mayor?

>> Mayor Adler: I know we're about to conclude for music and proclamations and I think we have one quick one, 89, if councilmembers don't have questions we might be able to move through that one rather quickly.

>> Mayor Adler: Okay. 89 is the public hearing on the shoal creek greenbelt, temporary use parkland. 89, is there a motion to approve item 89? We have do to do the hearing? First let's conduct the public hearing on item 89. And there are no speakers waiting to speak. We have several people that are for it. No one speaking against it. Three people for, one person against, no one wishing to speak. Mr. Renteria moves to approve 89. Is there a second to approving? Mr. Zimmerman seconds.

[5:29:12 PM]

Any discussion?

>> Tovo: Not unless we need to hear from our staff on that item. Do we need to hear from our staff, Ms. Morgan, on that public hearing maybe I would ask our staff to say a few words about it?

>> Mayor Adler: Ann, would you teach us all why we teach testimony on that?

>> This is a parkland item so in order to use the parkland you have to have a finding that you find it in best and -- there's a magic word here. You'll go ahead and walk through it.

[Laughter]

>> Mayor Adler: And to we need evidence in the record in order to be able to support the finding.

>> That's correct.

>> Mayor Adler: Okay. Please tell us what's being proposed here.

>> Fantastic. Good afternoon, mayor and council. Item number 89 is a public hearing in accordance with chapter 26 of the Texas parks and wildlife code. My name is Brian block with the parks and recreation department. I'm here on behalf of Junie plummer from the office of real estate services who could not be here this afternoon. The request is by shoal creek walk limited for the temporary underground use of approximately 525 square feet of dedicated parkland known as the shoal creek greenbelt along with park improvements at the greenbelt. The legal fact finding for this item is that there's no feasible and prudent alternative to the use of dedicated parkland, which includes all reasonable planning to minimize harm to the land. The dates of public notification in the "Austin american-statesman" were January 3rd, 10th and 17th of 2016. Mayor, that concludes my presentation.

>> Mayor Adler: Thank you.

[5:31:13 PM]

Is there a motion -- we already have a motion and a second on this. Any further discussion? Those in favor please raise your hand? Those opposed? It's unanimous on the dais. Thank you very much. All right. That makes it now 5:30. We have one, two, three, four, five, six, seven, eight, nine, 10, 11 --

basically 12 items that are left, three of which have about 30 speakers and one that has 112. It is 5:30 now. Do we want to reconvene at 6:30, 6:45? We'll be back at 6:30 then.

>> Mayor, do you want to talk about how the rest of the items will know.

>> Mayor Adler: Let's talk about that. The big items that we have left are the str issue, the parkland dedication issue and the pud question. And I would propose when we come back we hit each of those items one after another and then pick up the rest of the items.

>> Pool: Mayor, if I may, during work session we promised our folks that we would hear the parkland dedication and then the pud item at 4:00, and I think str was set for 7:00. So I would respectfully request that we do take them in that order.

>> Mayor Adler: I think that makes sense. Parkland first, pud second, str third.

[5:33:21 PM]

Okay.

>> Tovo: Mayor, this is more about what we do between now and our break and apologize about not mentioning it before. We just finished our house corporation. There are three corresponding items on our agenda and I believe our staff will otherwise have to wait if we don't approve those before we break.

>> Mayor Adler: If I call for the approval of each one, I probably was not able to actually do that. You're right. Let's call those three associated items up now.

>> Tovo: Those are 81, a 82 and 83.

>> Mayor Adler: Is there a motion to approve -- we have to probably do these sequentially?

>> Tovo: Those are also public hearings so we probably have to handle them sequentially. Anyway, I just bring them to your attention in case we have an opportunity to do them before break. Go ahead and do that now.

>> Pool: Does that mean we have to reconvene as the housing?

>> Mayor Adler: No. Now we're back in the city council so we do this now. Number 81 relates to which of the items we did before?

>> Items 81, 82 and 83 are to conduct a public hearing, consider a resolution for an application to be submitted to the Texas department of housing and community affairs. In these specific instances where the development is not currently requesting funding or a financial assistance nhcd serves in an administrative capacity to provide developers and avenue to meet the application requirements by the state. Developers applying for the four percent tax credits are requesting today resolutions of no objection by the Austin city council to complete their application requirements by tdhca. State regulations require that the complicates for non-competitive awards of low income taxing house credits receive a resolution of no objection by the local governing body. The developer would not be able to apply for the tax credits without this. Recognizing that council has requested additional information on developments that are brought before council for action, housing staff continues to publish the development brief on its website where the application and development information resides.

[5:35:29 PM]

It's also in your backup. And we have the developer here, same developer on all three public hearings, all three projects.

>> Mayor Adler: Okay. Is there a motion to approve 81, 82 and 83? I'm now going to open the public hearing. We have one speaker, it's Gus Pena. He's not here. Mr. Pena, are you available? Are you here? Mr. Pena still not here. So is there a motion to close the public hearing? Mr. Renteria moves. Is there a second? Ms. Gallo. Those in favor of closing the public hearing, please raise your hand? Those opposed? It's unanimous on the dais. So now Mr. Zimmerman.

>> Zimmerman: Point of inry here. The new 6:00 after before, qualified application plan, the point system, has now been approved. Is there a change to any substantial changes to the point system? That you know of? Of how applications are awarded points? Because I thought I heard you say that they couldn't move forward with the four percent application unless we approve this resolution. I didn't think -- is that correct?

>> There's a difference between the nine percent gap and the [indiscernible] Of four percent. So the items I brought for you today they're applying for the four percent non-competitive tax credits. In that application they are required to present the resolution of no objection by the city council.

>> Zimmerman: Or else they can't apply even for the four percent.

>> That's correct. That is correct.

>> Zimmerman: And that's the way it was last year as well?

>> I believe so.

>> Zimmerman: Thank you.

>> Mayor Adler: Is there a motion to approve 81, 82, 83? Mr. Renteria, second Ms. Gallo. Any discussion? Those in favor of approval please raise your hand? These opposed? Mr. Zimmerman votes no and Ms. Troxclair abstains. Others voting aye.

[5:37:31 PM]

81, 82 and 83 are approved.

>> Thank you very much.