

City of Austin Case # SP-2016-0008C
Planning Commission
October 24, 2016

Dear Planning Commission –

As the Chair of the Chestnut NPCT I urge you not to grant the waiver sought for “The Lofts at 12th” Located at 2724 E. 12th St. Our large and diverse NPCT voted to oppose this waiver unanimously at our last meeting on Oct. 18.

The Chestnut NPCT has been involved with this property since early 2011 when the previous owner proposed a SMART housing development on the site. A brief timeline of our involvement in the case is as follows:

Q1 2011 – The Chestnut NPCT engages with owner of 2724 E. 12th to establish conditions of support to rezone the site from TOD – Low Density Residential (max 9 units / 2 stories) to TOD – Live Work Flex (max 30 units / 5 stories)

11/8/2011 – The Chestnut NPCT supports a zoning change at the Nov. 8, 2011 Planning Commission Meeting (Case C14-2011-0130.SH) on the conditions that:

- 40% of the units are affordable at 80% MFI
- The development recognizes the site’s former use as Emancipation Park
- The development connects to the rest of the MLK TOD via a walkable route

The Planning Commission approves the case. The previous owner pledges to make 18 of 30 units (60%) affordable (See ‘Original NPCT Letter’ in Backup).

2013 – 2724 E. 12th is sold to the current developer Shravan Parsi. During the sale the leaders of the NPCT met and communicated the previous conditions of neighborhood support for rezoning multiple times (See Email A in Backup). The previous owner Pegasus Planning also clearly communicated the neighborhood conditions for the previous rezoning to Mr. Parsi (See Email B in Backup).

3/2016 – The CNPCT engages current owner Shravan Parsi again about his plans for the site and he claims he is unaware of the previous conditions of NPCT support when the site was rezoned. In a face-to-face meeting between the NPCT and Mr. Parsi’s team they refused to commit to any of the conditions the NPCT had previously established when the property was rezoned at the Planning Commission.

As it is clear from this sequence of events above, the NPCT advocated for a significantly more dense zoning with the previous owner under explicit conditions. The property was then sold to the current owner who will honor none of those conditions. A project that was supposed to bring 18 affordable units to our neighborhood will now bring 3 (by the TOD density bonus requirement).

Mr. Parsi bought this property knowing the Chestnut NPCT's conditions for the development when it was rezoned. He seeks to gain significant financial benefit from that rezoning while not fulfilling any of the previous conditions the NPCT worked hard to establish.

After facing opposition at the 9/13/16 Planning Commission Meeting his team finally offered to write a restrictive covenant ensuring a memorial to the site's former use as Emancipation Park. He has refused, however, to make any more units affordable or develop a walkable connection to the rest of the TOD. His logic is simple to understand. While the memorial might cost him a few thousand dollars, designating any more units as affordable won't make him enough money to repay investors the return he has already promised them (see email C).

Mr. Parsi met with NPCT leaders multiple times before he promised any investors money and purchased this property. He knew if he had to get our consent for anything in developing this project that it would be a risk to his investment. Granting this waiver brushes aside all the effort our neighborhood has spent working on affordability and respecting the legacy of our community. Granting this waiver gives Mr. Parsi and other developers like him encouragement to continue ignoring and exploiting neighborhoods in search of profits. Please don't set that precedent.

We wish to revise the restrictive covenant Mr. Parsi's team drafted to incorporate not only the memorial to Emancipation Park but also that:

- Any development on this site have at least 40% of the units be designated affordable at 80% MFI
- His team develops a walkable connection to the rest of the MLK TOD

This is the compromise the NPCT made when this site was rezoned and we ask that compromise to be honored.

Sincerely
Cavan Merski



Fwd: Lunch or Coffee?

Sean Garretson ·

Sun, Feb 28, 2016 at 8:36 PM

To:
Cc:
<da
Jim

Cavan -

Please read below and see attached email from Greg Goeken, your former NPCT President, to Shravan the current developer regarding the 12th St property. He is not telling the truth when he says he never saw that letter or knew about it. Hold firm on this.

When is the next meeting? I'm fed up with people spreading rumors about me related to this and the Chicon project.

Sean
C

---/----- Forwarded message -----

From: **SA DreamHomes** <[sa@dreamhomes.com](#)>
Date: Wed, Jul 3, 2013 at 11:54 AM
Subject: Fw: Lunch or Coffee?
To: "[Sean Cavan](#)" <[scavan@dreamhomes.com](#)>
Cc: Austin Broker Richard Hall <[richard.hall@abroker.com](#)>

Sean,

Please see the attached documents, is that mandatory to have 40% of the development available for those making 80% of the median income levels? I don't see that in the document as claimed by Greg & also I don't see your signature on the letter they wrote to planning commission.

Austin is such a small big town, I happened to be at a Eurocircle party last week where Greg introduced me as a chair for the E Austin Chestnut Neighborhood chair, then offered to meet me about your property.

Best,

Shravan

----- Forwarded Message -----

From: greg goeken
To: SADH Yahoo <[sadh@yahoo.com](#)>
Cc: Trinity White <[trinity.white@att.net](#)>
Sent: Tuesday, July 2, 2013 2:20 PM
Subject: Re: Lunch or Coffee?

Hi Shravan,

It was nice meeting you last week and having the opportunity to introduce you to the neighborhood.

I wanted to get you those documents that I said that I would send you.

The first is the MLK TOD Regulating Plan. Please find it attached. This plan prescribes how development may proceed within the MLK TOD boundaries.

The section **about affordability can be found on page 54 of the document** (page 64 of the pdf). Please note that the TOD Regulating Plan requires that a certain percentage of the units are affordable, according to a formula decided on by the city.

As part of our original negotiations with the current owner, we agreed to support the zoning change to TOD Live-Work-Flex (which was approved by the Planning Commission in 2011) on the condition that at least **40% of the units will be affordable for those making 80%** of the median family income levels.

Also, regarding the connectivity issue with the rest of the TOD, I have sent out an email to Will Meredith about introducing him to you. I'll let you know the moment he responds.

Again, it was great meeting you last week. Since the property you have under contract is within the MLK TOD, I think it is important that you have an idea of the benefits and restrictions that the code requires of the property.

Please let me know if you have any questions about any of this.

Best wishes,

Greg Goeken
Chair
Chestnut NPCT
[830-613-5553](tel:830-613-5553)

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2 attachments



MLK TOD Regulating Plan.pdf
2438K



2712 E 12th st rezoning - letter of support.pdf
21K



Cavan Merski <

2724 E. 12th St. Development

Shravan Parsi <s> Wed, Sep 14, 2016 at 5:06 PM
To: Michele Rogerson Lynch <l>
Cc: Cavan <c>, amenity applewhite <i>, Leslie Padilla
>, Ariane Corcoran <i>, " " <om">
<, Cliff Kendall <c>, Ron Pope <i>, Glenn
Gonzales < >, Will Herring <i>

Thank you Michele for the update (please use this email id for me).

Why are we offering a one one 2BR condo? Is it necessary? It will have an impact of almost \$150K less in revenue for the project. Which might trigger investors sign off.

Best,

Shravan

NAPA's Announcements: Acquisition of [Woodbridge & Westwood](#) and [Oates Creek & Parkside](#)

Shravan Parsi
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[View my profile on LinkedIn](#)

In the news: <http://www.bizjournals.com/sanantonio/blog/morning-edition/2015/11/crowdfunding-may-spark-more-real-estate-interest.html>

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City of Austin
Planning Commission
November 8, 2001

Case # C14-2011-0130.SH

Dear Commissioners,

As Chair of the Chestnut Neighborhood Plan Contact Team, I would like to submit this letter of support for a proposed rezoning of the property at 2712 E 12th St, from TOD Low Density Residential to TOD Live-Work-Flex.

The property has significant historical aspects and there have been productive talks with the developer regarding ways in which they can give back to the community in return for our endorsement. We have agreed that the developer will:

- The development will incorporate a designated area for reflection. This area should include, but not be limited to, artifacts associated with the property's past use as Emancipation Park, inscriptions, and the history of the park. It should be inviting and accessible from the street. It should include seating, landscaping, and perhaps a monument. This area will be designed and constructed in the floodplain and/or within the drainage easement area. If, during site plan review the City does not allow this, then there will still be a commitment to incorporating related-artifacts into the common space such as in the dining hall. An attempt will be made to work with Chestnut artists in the design and installation.
- At least **40%** of the units will be affordable for those making less than 80% of the median family income levels. As much as possible, first marketing will be made to residents of Chestnut neighborhood. While respecting Fair Housing rules, the developer will work with qualified and interested Chestnut residents for priority to the affordable and market-rate units.
- The development is connected to the rest of the MLK TOD via a walkable route.

Thank you for your consideration. We at the Chestnut NPCT spent a lot of time and effort making sure our response to this case was inclusive within our community and carefully vetted by all those who contributed their input.

Respectfully submitted,

Greg Goeken
Chair
Chestnut NPCT
830-613-5553