

Austin Housing Finance Corporation Meeting Transcript – 03/25/2021

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Part 1 (Speakers):

Also at 11:09. I'm going to convene the Austin housing finance corporation, March 25, 2021, 11:10. The meeting is being held by video conference. A quorum of the board of

[11:10:28 AM]

directors is present. We have one change and correction to read into the record. There was late backup in item number 4. We're going to hear from speakers that have signed up to speak on these agenda items. At the conclusion of these speakers, we will recess the ahfc meeting and go back into the council meeting. Do we have speakers signed up?

>> Yes, the first speaker is Sara Andre.

>> Hi. I'm actually speaking on

[indiscernible] I don't know if you want to take me out of turn. If you do --

>> Mayor Adler: You are speaking on what?

>> Well, on item 4 on ahfc agenda. I wasn't sure if you were taking these all at once.

>> Mayor Adler: We're taking them all together.

[11:11:29 AM]

You are fine to go ahead.

>> Very good. Thank you. My name is [indiscernible] 1991. Like anybody that has lived here that long, I think the cost of living skyrocket. I know you all are very well versed in Austin's housing crisis. We are desperately in need of long-term affordable units like the ones proposed for city heights. I do want to emphasize something as an affordable housing practitioner. I've had more than 25 years experience putting these projects together and they are incredibly difficult. We have many, many hurdles and they are very high hurdles to pull this together. Sometimes I don't know if that comes across. There's not a special magic or a secret warehouse of low cost items or labor for an affordable housing deal. We have to do everything with a market rate deal does

[11:12:30 AM]

with a lot more scrutiny. Contrary to what you may have heard or may hear today, the city heights team has spent many hours working with area residents on development. And more than just

[inaudible] Make the more friendly to the area. And we are basically at the finish line here. We've run a marathon, it's been a two-year marathon, and this is kind of our final [inaudible] Before we are able to close and actually start building these units for low-income households. I urge you not to throw two years down the drain, and I urge you to vote for this item and help us create affordable housing with -- that Austin so desperately needs. Thank you very much.

>> Anna Padilla.

[11:13:33 AM]

>> Hi, good morning. My name is Anna Padilla. I represent a developer for item number 4. City heights. This has been a long undertake for our team to put this project together. City heights will provide 179 affordable units, and we have been working since 2019. On November 2019, the -- received funding award from the Austin housing finance corporation. On 2020, August 2020, city heights received

[indiscernible] From the Austin housing finance corporation. Last summer receiving unanimous approval by the city council in addition, the project has received already the approval of the tax credit

[11:14:37 AM]

application in February of this year. We have tried to work with the neighborhood and several meetings have occurred. Specifically with the transportation department to listen to their concerns regarding safety. I would like to briefly summarize some of the items that we are going to be improving to address

their concerns. The road will be widened from 26 feet to 40 feet wide. We will have a dedicated lane to access the building

[indiscernible] It's called. There will be sidewalks built extending from across the building, across the side. Signage will be added and there will be pavement

[11:15:38 AM]

signing and we are going to restore the pavement and restore it. City heights will be --

>> Speaker, your time has expired.

>> I respectfully request the approval of the resolution authorizing this, thank you.

>> Kitchen: Mayor, did she say they would be signing something? I couldn't hear what she was saying.

>> Ms. Pardade?

>> The signage on the road will be improved will be --

>> Kitchen: Okay, thank you.

[11:16:46 AM]

>> Good morning, can you hear me?

>> Go ahead.

>> My name is -- good morning, my name is Ana and I'm the pastor of the

[indiscernible] Combined neighbor contact team and speaking on item 4. The residents continue to raise major public concerns this development will have on us in the future and the

[indiscernible] Of this proposed development. Additionally no public transportation is currently being provided to these residents. Proposition is in close proximity this road but we don't have a date of the study.

[Indiscernible] Since the mid 1980s for which no significant road improvements have been made and which the city's traffic engineers continue to say it's a substandard road. Recently three months ago in December of 2020 there was a traffic fatality at the exact location of this proposed development. This dangerous stretch road has already caused the lack of one of our neighbors. How many more lives will we

[11:17:51 AM]

sacrifice for affordable housing. If you approve this can we count on you to help us help them? They don't have safe access to Franklin park, to the recreation center, to the new pending public health facility, to the H.E.B. And pharmacy, to the grocery store. What if we have another winter storm? Can we let you know if they no longer have electricity and water? We will be reaching out to each of you individually and asking you to please let us know if you will help us and which of your staff will be your designated contact person that we can reach out to. We will do this because we value our safety and the safety of these new neighbors. In closing, we sincerely want to thank councilmember Fuentes and her staff as well as the staff in the transportation department, watershed protection department and public works. They have been working diligently with us to address the public safety concerns as well as environmental damage already caused by the developer. We truly appreciate them and their efforts. I am available should you

[11:18:52 AM]

have any questions. Thank you.

>> Next speaker is (saying name).

>> Hi. Good morning. My name is (saying name). I'm a traffic engineer with wgi. I'm calling in support of item number 4 that is 4400 Nuckols crossing. In looking at the improvements that are being proposed to go with the development that -- which is the turn lanes going into the sites, left and right turn lane into the site and the proposed all day stop control at Nuckols crossing and the [indiscernible] Drive. I also want to add that these improvements have been reviewed and approved by the Austin transportation department. And in addition as another speaker noted earlier, Nuckols crossing is also going widened to ensure it meets the urban standards so that includes curb and gutter so it meets current code. And also bike facilities and sidewalk will be provided

[11:19:53 AM]

along the site frontage. And in order to address the safety concerns associated with the site egress, the site is going to be restricted to right turns only. I believe that with all these on-site and off site improvements that are being provided that the project team is doing everything they can to make sure thahat the concerns associated from a transportation perspective are being addressed adequately. Thank you.

>> Christopher shear.

>> Good morning, mayor, councilmembers. Hopefully you can hear me. I am Chris shear, I'm the C -- with Mcdowell housing partners and a principal partner in the city heights development. We appreciate

your time this morning. As my colleague had said before me, we started development activities on city heights around middle of 2019 and I'm really proud to say that we're on the

[11:20:54 AM]

culmination of closing all the financing required to commence construction and ultimately deliver these units to the city of Austin. I'd like to say that affordable housing development is never easy, but it's always worth it. We've had a lot of public comment today, speakers, about the severe lack of affordable housing options in the city and the benefits that it does deliver to citizens. Tremendous amount of work and dedication from a large group of stakeholders have went into getting the project to this point. And foremost I want to commend the city of Austin staff, particularly from nhcd, the Austin housing finance corporation, development services and councilmember staff who have been really engaged and diligent in working through the multitude of processes and procedures that go into developing affordable housing assets. They've done a great job. They've operated with the highest level of professionalism and most of all they've always worked with the city of Austin's

[11:21:54 AM]

best interest at heart. So when I hear comments about safety and concerns, maybe there's not a perfect solution, but the solution that's been provided today and the lengths that we went -- the lengths that we went to ensure that level of safety which I'll talk briefly about has really been above and beyond the standard of due diligence on a development. Today we're before you on approval of the final bond documents so we can proceed to closing. City heights has already received a resolution of approval from the Austin housing finance corporation's board to issue the state revenue bonds

[buzzer]. This is the final step and historically this is a very administrative step in nature. The approval at hand today should have no bearing on the site plan, zoning or development program itself. We know the opposition that has been -- speaker, your time has expired.

[11:22:56 AM]

>> Mayor Adler: Thank you.

>> Mayor, we have Ms. Joseph on the line, and if appropriate she registered to speak on ahfc and consent items as well. So if you would like to hear her for ahfc first and then soon after if appropriate for the other items we can --

>> Mayor Adler: It will be appropriate. We'll recognize her now to speak on ahfc. We'll move out of the ahfc meeting, just keep her on the line. We'll reconvene the city council meeting and then she can speak to those items.

>> Great. Zenobia Joseph.

>> Thank you, mayor and councilmembers. I'm Zenobia Joseph. Mayor, did you want me to speak on all of mfi items? I apologize and city council, it's a little hard to hear what you're saying.

>> Mayor Adler: Not a problem. No, just speak on the ahfc item and then stay on the line and then in a moment or two then you will speak to

[11:23:58 AM]

the city council items.

>> Okay, thank you, mayor, councilmembers. I'm Zenobia Joseph. My comment is specifically related to Austin housing finance corporation item number 5. That's the four percent low income housing tax credit for [indiscernible]. I actually signed up in favor of the 27 units. Of course it's that 8909 east ninth street and there's very little affordable housing in that area. As a matter of fact, the literature that I sent you that specifically related to Mr. Mitchell, Terry Mitchell's property which is adjacent to it and those condominiums actually range from 300,000 to over a million dollars. And so it would be ideal -- I understand that the family held out a really long time before actually selling out and allowing affordable housing to be built there. I would just urge council to pass the item.

[11:24:58 AM]

I think it's a good one. Thank you for taking my comments. If you have any questions, I'll gladly answer them at this time.

>> Mayor Adler: Great, thank you. We're going to go ahead and recess here at 11:25 the hill country meeting. We'll return to it as quickly as we can. I think it will be brief. But let's keep doing it as we said that we would. So at 1125 here on March 25th, 2021 we're recessing the ahfc meeting.

Part 2 (after recess):

and I am going to convene or reconvene the meeting of the Austin housing finance corporation here on March 25th, 2021, at 12:07. If you guys want to take us through the agenda here, the

[12:07:59 PM]

consent agenda, maybe we can get you guys in a better position.

>> Absolutely, thank you, mayor. This is Mandy de mayo, Austin housing finance corporation. You have five items on you agenda today, which I am offering for consent. The first two items are related to an agreement with the parks and recreation department to purchase portions of two ahfc properties, one at 11:27 Tillery street and one at 1212 slaughter lane. Item number 3 is approving the meeting minutes. Item number 4 is related to final authorization to issue private activity bonds for city heights proposed 179 unit senior housing development on Nuckols crossing. I do want to point out on item number 4 that the revised resolution which was posted in late backup needs an additional change to remove any references to authorizing the execution of

[12:09:00 PM]

a ground lease. There will be no ground lease on that property between ahfc and the proposed developer. And then finally, item number 5 is authorizing an inducement resolution for up to nine million dollars for a Guadalupe neighborhood development corporation senior housing development called [indiscernible].

>> Mayor Adler: Thank you. Is there a motion to approve the consent agenda? Councilmember kitchen makes the motion.

>> Kitchen: No, mayor, I was going to pull an item for discussion.

>> Mayor Adler: Okay. Which item would you like to pull?

>> Kitchen: Number 4.

>> Mayor Adler: Okay. If we're going to have a pulled item on this agenda, then I'm going to move us out of this meeting -- let's see if we can take a vote on the consent agenda excluding -- pulling item number 4, making it not part of the agenda. I think that might let some people go. I'm not sure.

[12:10:00 PM]

>> Kitchen: Mayor, what I have on number 4 is pretty quick.

>> Mayor Adler: Okay. Is there a second -- all right. The motion on the consent agenda with item number 4 pulled, councilmember Ellis makes the motion. Councilmember Renteria seconds the motion. In front of us is the --

>> Alter: I thought I had already made the motion.

>> Mayor Adler: No. Ann raised her hand to pull before we made the motion. But it is in front of us now. Any discussion on the consent agenda? Let's take a vote. Those in favor please raise your hand. Those

opposed? It's unanimous on the board. Everything is approved except for item number 4. How quick is your discussion on item number 4, councilmember kitchen.

>> Kitchen: I just want to put on the record what was said to us earlier in terms of the improvements that are intended to be made for Nuckols crossing.

>> Mayor Adler: Okay.

>> Kitchen: Because they

[12:11:00 PM]

weren't said by our staff, they were said by someone who was testifying. So I wanted to make sure that these are intended and I wanted to put it on the record.

>> Mayor Adler: Okay. Go ahead. Is that -- Mandy?

>> All I was going to say was that we are very fortunate, councilmember Fuentes has brought together multiple departments to talk about including the transportation department, as have many of the speakers have previously mentioned, there are concerns about traffic and safety, and yes, my understanding is the improvements that were mentioned specifically widening the road, stop signs, directional in and out of the development and dedicated turn lane are all things that -- and the transportation department is moving forward, is my understanding.

[12:12:01 PM]

But I will defer to councilmember Fuentes for a fuller description.

>> Fuentes: I believe we also have transportation staff that are trying to get into the room that could confirm this as well if that's helpful.

>> Mayor Adler: If this is going to be a long conversation, we're going to come back to on do it later. I just can't assess that. Councilmember Fuentes, I guess the issue is councilmember kitchen wanted to have the record say by the city the things that Mandy de mayo just mentioned. Councilmember kitchen, is that the list of things?

>> Kitchen: No. She forgot one item. Well, what I heard first widening the road from 26 to 40. Second sidewalks, third the turn lane, which is a park R. Partial center turn lane for the safety of the curve. The fourth item was pavement restored. The fifth item was signage. And then the sixth item, the preliminary engineering study that we approved as

[12:13:01 PM]

part of the bond.

>> Mayor Adler: Councilmember Fuentes, is that the right list?

>> I would add the four-way stop for an item of note.

>> Kitchen: Thank you.

>> Mayor Adler: And manager, is staff okay with these items? That's what I understood from Mandy de mayo. Maybe I should direct that to Mandy. Is that the correct list, Mandy?

>> That is my understanding. I will say it looks like we have transportation folks on the line and so I want to defer to them, but we have all been part of the same conversation.

>> Mayor Adler: Okay. Did you hear the list of things that were mentioned?

>> Mayor and council, yes, mayor, and that is a list that we have in atd.

>> Mayor Adler: Okay. Councilmember alter?

>> Alter: I just want to say that I want to be showing abstaining on item 4. I've previously raised concerns about the economics

[12:14:02 PM]

of the income averaging for this project. And why I support income averaging in principle, I'm not confident that we're maximizing our opportunities with how the income averaging can result in such a significant number of units at 80% mfi in this project.

>> Mayor Adler: Okay. Councilmember Fuentes.

>> Fuentes: Yes. And I will be voting no on this item so I don't know if this is an appropriate time to give my remarks on why I'm voting no or if we're going to bring it back up at a later time.

>> Mayor Adler: We won't bring it back up. I'm going to have for -- is there a motion to approve item number 4 with the comments that were added into the record? Councilmember Casar makes the motion. Councilmember Renteria seconds. Discussion. Councilmember Fuentes.

>> Fuentes: Thank you. So with this item number 4, as you know this development as stated by staff has been ongoing at least for the last five years. The zoning first came up back in 2016 and -- the

[12:15:03 PM]

conversations around it first came up in 2016 so it's been five years in the making and this is the final-final stage of approving the financing. And so for my part as someone who is newly elected is that I was very intentional and deliberate about bringing my community and city staff, so thank you city staff for all of your preparation in our ongoing conversations to better understand the history of this project, starting with the zoning process, and to where we are today. And I'm grateful -- especially grateful for all of the residents who have stepped up and shared their views and concerns around the city heights project. So informed by their feedback and from my understanding it's for greater safety for the community, and it's important to me to stand with my community so I've made the decision to vote no. I'll go into further conversations on the matter and should this final financing project go through

[12:16:04 PM]

as in this project as I understand, was unanimously supported by a majority of the council, my community can continue to count on me to engage on this issue and to help advocate and ensure that we have greater safety and to ensure the environmental concerns that have been raised are addressed. And so moving forward I'd like to see improved infrastructure and safety for those who are energy this area, things like pharmacies and health care centers would be greatly appreciated. And it also includes prioritizing safety hazards such as establishing the four-way stop at the viewpoint. It was very significant to the community so just want to underscore that need. And with that I will close my comments.

>> Mayor Adler: Great. Thank you. Mayor pro tem, councilmember pool, councilmember kitchen.

[12:17:08 PM]

>> Harper-madison: Thank you for recognizing me, mayor. I saw something yesterday about how much over asking price people are paying. And more than any other city that's one of those number ones on a list that I don't want Austin to have -- to be known by. So before that we learned that the median sales price here in town was at half a million dollars. No one should be surprised by rampant displacement or homelessness in Austin when we don't do nearly enough to address the glaring lack of housing supply in our city. So this particular project isn't going to be the silver bullet. We all know that. As councilmember tovo pointed out, it's -- councilmember Fuentes pointed out, it's been in the making for a long time. I think it could be an important lifeline for a few folks, though. As former mayor Lee Leffingwell famously pointed out, Austin is facing a silver tsunami thanks to a rapidly growing senior population.

[12:18:08 PM]

I think we desperately need to secure housing for people on fixed incomes or on fixed incomes and who have particular needs like our senior population. I think this is a step in the right direction. I understand

that concerns about concentration of lower communities east of 35 all too well. I overunderstand. But look at our affordable housing map and you will see that district 1 enjoys more than its fair share of income restricted properties. I would love to look for ways to make it easier to build affordable units in our city's highest opportunities areas, but those discussions have been dragging on out for years while our housing crisis has only grown worse. The zoning for the site has already been approved. The site plan is in the final stage of approval. We need to make explicitly clear that if we don't approve this funding today we won't be stopping the property's development. They already have the zoning. It will turn into market rate housing and lose many of the hard fought community benefits, hard fought. I'll take the opportunity now to say thank you to all

[12:19:09 PM]

the folks who fought so hard and worked so hard with the various city offices and neighbors to get to this where we are now. I guess lastly I'll say it will turn this market rate housing -- it will turn into market rate housing and how I started this conversation about our housing shortage, you know, I want us to all be very intentional. We need more housing that's attainable at every income level. And I would hate to pass up on an opportunity that could give us rare affordable housing for our seniors in a quiet neighborhood near parks and schools and a golf course, project connect route. And the upcoming Bergstrom spur urban trail. So I'm happy to support this item. It's one of the affordable housing proposals that I think we just can't afford to pass up. Thank you.

>> Mayor Adler: Thank you. Councilmember pool.

>> Pool: Thanks, mayor. And I'm going to join councilmember Fuentes in

[12:20:09 PM]

voting no on this zoning case and the funding for the development. I voted no for the same reasons as she has in the past. I am cheered to see the work that our transportation department is doing to improve the access and the safety there. That was significant in my early open to the proposed development, but I was also concerned about the concentration of lower income folks in this same area. And we had promised our community years ago, previous councils had and this council had that we would disperse these kinds of projects throughout the city. It's just hard, though, I recognize, to find plots of land that are within the purchase price to ensure that your bondholders and your investors make a nice profit. So I understand the dynamics of the industry.

[12:21:12 PM]

I will continue to support my colleague on this one in her opposition to it and just make note that every once in awhile there is a project that happens in our districts that we don't support. It's happened to me in the past, but then after things are approved and they move forward, you do as you note continue to -- you transform into the watchdog. And the monitor and the overseer to ensure that the community's concerns that were voiced eloquently in advance, but were not exceeded to can somehow find some footing in the actual development of the project. I do that up in district 7, probably more often than I wish I would, but certainly on some high profile projects. And I'm now working to advance them appropriately and properly so that everything can be a part of the fabric of our community.

[12:22:13 PM]

And I had -- I have -- I have a sure feeling that you will be doing the same thing, no just because you said it, but because of your commitment to district 2 and I applaud that instinct and I support you in continuing to oppose, but should you need some assistance when things are on the ground and moving forward, I'd be happy to offer it. Thanks.

>> Mayor Adler: Councilmember kitchen.

>> Kitchen: I am going to support this but with the understanding that the improvements for safety on the substandard road are going to be carried out as we read into the record. So I think that is critical and councilmember Fuentes, I stand by you to make sure that happens. And you can count on me to do that. It's a hard one.

[12:23:13 PM]

I understand the concerns of the folks that are living in that area. But I have to fall on the side of housing for seniors. So that's why I'm moving forward with this with a yes. But again as I said before, that's why I want it to be crystal clear and on the record about what we're talking about for the you improvements for that substandard road. And so it's my expectation that that will occur and I'll be happy to work with you, councilmember Fuentes, to make sure that happens, as well as the other items that you mentioned that are important for the neighborhood.

>> Fuentes: I just wanted to thank councilmember kitchen for pulling this so we could have further discussion. I think this really is a great way for us to to all learn about the different needs of the districts and maybe even change our votes. Originally I had been -- I had written down that I wanted to support this item but because we discussed it in an open forum and I

[12:24:15 PM]

learned from Vanessa how she learned what was going on in her district, I'll defer to her. I'll definitely be voting no. This goes back up to what councilmember tovo brought up earlier is we do need more time for discussion on certain items. I think as a body we should keep that front of mine. Thank you.

>> Mayor Adler: Thank you. Councilmember tovo.

>> Tovo: This is a hard one. Several of us voted against the zoning for all the good reasons, councilmember Fuentes, that you raised. And I have a lot of respect for those in the neighborhood who came forward to address -- to raise their concerns which were really valid concerns which led to my no vote. Having said that, at this point, as mayor pro tem harper-madison points out, the site does have the zoning and it's important for me to support the affordable housing funding or the decision before us today that will provide that level of funding to ensure that the units remain affordable. And that's consistent with

[12:25:16 PM]

my practice in all the years I've been on council of supporting just nearly every affordable housing funding decision that's come before us. So I think you just got a wave. I'll be voting for this today and we'll be looking for ways to really -- to support you in addressing the concerns that our residents in that area have raised about mobility and safety. And opportunities for those residents to access the kinds of amenities they need.

>> You're on mute, mayor.

>> Mayor Adler: Let's go ahead and take a vote so we can get to citizens communication. Item number 4, motion has been moved and seconded. Those in favor please raise your hand? Those opposed? Those voting no are councilmembers.

>> Fuentes: Fuentes and pool and Kelly. The other voting aye -- and

[12:26:16 PM]

councilmember alter is voting --

>> Alter: I'm abstaining.

>> Mayor Adler: Abstaining. Three against, one abstention, seven in favor. This item passes. I think those are all the items on the ahfc agenda so we're going to adjourn the ahfc meeting here at 2:26.