

Austin Housing Finance Corporation (AHFC) Transcript - 6/16/2022

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[2:57:15 PM]

I will recess the Austin city council meeting here as 2:57 on June 16, 2022, we are going to convene the housing and finance corporation meeting here on June 16, 2022, the time is 2:57 and the board of directors are all here. You want to take us to the consent agenda.

>> Absolutely, good afternoon, Andy, Austin housing finance corporation, with have eight items on today's agenda. And three of those items are related to the preservation of

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affordable housing. We are very excited to announce. The first item is approving the minutes from the may 19th board meeting, items 2 and 3 are related to an ahfc subsidiary acquiring a 70 unit senior housing complex within a half mile of the high capacity purple line, and that is located in district 3. It is called city view apartments. Items 4, 5 and 6 are related to creating ahfc subsidiary to acquire naturally occurring affordable housing on St. John's avenue within a quarter mile of the crestview station. That is again 40 units of naturally occurring affordable housing and called midtown flats. That's item, 4, 5 and 6. And item 7 and 8 is related to buying out the equity interests of a 240 unit apartment complex

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within proximity, half mile of the Orange line near stassney line, the retreat at north bluff. And I offer all of these items on consent. I'm happy to take any questions.

>> Mayor Adler: Is there a motion to approve the consent agenda? Councilmember harper-madison makes the motion, councilmember Ellis seconds. Any discussion? Director harper-madison and director Ellis. Director kitchen?

>> Kitchen: Just a quick question. So, are these items -- is the anti-displacement dollars being used to purchase these items?

>> Thank you for asking that question. So, two of the properties are actually utilizing for the first time, ahfc is utilizing project connect anti-displacement dollars. That's for the acquisition of midtown flats, \$7.68 million, and that's in district 4. And the other is \$2.6 million and that's city view apartments in district 3. So in total, it's nearly a little over \$10 million of the

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project connect anti-displacement dollars. I'm sorry?

>> Mayor Adler: Which numbers are those?

>> Number -- city view apartments is 2 and 3. That's city view apartments. And that's \$2.6 million in project connect dollars. And 4, 5, and 6 are the midtown flats. And that's \$7.68 million.

>> Mayor Adler: Thank you.

>> The retreat, general obligation, the 2018 general obligation bonds for that.

>> Kitchen: The related question, I'm not certain of when this -- part occurs, but I would like to understand better how we're setting the affordability levels for these properties, given some concerns that were expressed earlier. I don't know if those concerns will be applicable to these particular properties, but my first question would be, at what point in time does the level of affordability get established?

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>> So it depends on the actual property. For city view apartments, which is currently a low-income housing tax credit property, it's in its compliance period. So 100% units are affordable. With our interest in the property, we will push for deeper affordability. That's one of the advantages of ahfc, or an ahfc subsidiary coming into the partnership. That's city view. Naturally occurring affordable housing is midtown flats in district 4. That property we've looked at the rent roll. The rents are sitting -- we haven't income-certified the residents, but around 60% fmi -- mfi and the goal will be to drive the rents down. We're putting some additional -- an ask for \$400,000 for minor rehabilitation and improvements. And then we will be stabilizing the rents and ensuring the long-term affordability. All of the ahfc-related

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properties, our goal is always -- for rental, 50% and below median family income.

>> Kitchen: Thank you very much.

>> And I should also mention, for retreat at north bluff, that is in partnership with affordable central Texas, a nonprofit equity fund. And we will be bringing them into -- we're actually decreasing the market rate units there to 80% median family income and driving down the affordability at all the different levels. That's always our goal. It may not happen immediately, but always our goal.

>> Kitchen: So it's a process that you're in. What we're approving today is the purchase, right?

>> Approving the purchase and the creation of the nonprofit subsidiaries so we can effectuate that purchase.

>> Kitchen: Okay. Thank you.

>> Mayor Adler: Is this the first project with the housing conservancy?

>> Yes.

>> Mayor

Adler: Congratulations on that.

>> Hopefully not the last, but it is the first.

>> Mayor Adler: You'll remember the council talking about this as the strike fund eight years ago. We talked about trying to put

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together something that would be market-driven and maybe meet some workforce housing. And it's been developed and picked up and they're out raising millions of dollars for it right now to that end. So, thanks for participating in that. Consent agenda is in front of us. Councilmember kitchen.

>> Kitchen: One last question. It's probably for a longer conversation. I would like to have a conversation about the relationship between our use of the anti-displacement dollars and the areas that have been identified at risk of gentrification, but that's a longer conversation than right now.

>> It's actually pretty quick, hopefully, in that we -- our investments need to align with our anti-displacement maps. So we have online where we are driving all of our investment for the 300 million, and these particular properties fall into that, the proximity to the project connect line, as well as falling into either the vulnerable to displacement or continued loss.

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The three areas that we want to prioritize our investment.

>> Kitchen: Fabulous. That's what I wanted to confirm, they were in the geographic areas that were at risk --

>> Absolutely.

>> Kitchen: For displacement.

>> At risk or experiencing.

>> Kitchen: Yes. Okay. Thank you.

>> Mayor Adler: All right. We have 60 seconds before we have to stop. Let's take a vote on the consent agenda. Those in favor please raise your hand. Those opposed? With that, our meeting is adjourned here.