

# Austin Housing Finance Corporation Meeting

## Transcript – 1/23/2014

I will now recess this meeting of the austin city council and call to order a meeting of the austin housing finance corporation board of directors. We have three items to consider. Ms. Spencer, will you brief us on these items?

[09:47:17]

>> Good afternoon, board of directors, betsy spencer, treasurer of austin housing finance corporation. We do have three items for you today. One is the minutes of the last meeting. Second item is an amendment to the service agreement, and the third is the budget amendment. I did want to note for you as you see on the budget amendment, staff is recommending that the funding be put into two different areas: Home repair and housing developer assistance program. Home repair includes funding for the go repair program and also for the architectural barrier removal program for renters. Housing developer assistance for the rental housing developer assistance program acquisition and development. If you look at the budget the homeowners activities is 25% of the budget. Rental projects are 75% of the project. This is consistent with our funding of the 2006

-- our spending pattern for the 2006 allocation. So we're staying in line with the way we've spent the money in the past. I did also want to note one item from this morning that was a question. We are in the process of executing contracts with the go repair folks in the amount of a million dollars right now, and then this \$2 million puts us at \$3 million for go repair this fiscal year. So with that I offer these on consent unless you have questions.

>> Cole: Thank you. I do have questions about item no.3 that we discussed this morning. We had some comments about kind of what we're

-- we're going to have a robust discussion about how we spend the money that is in connection with the recent bond passage, and I really do think that we should do that and we should think about prioritizing permanent supportive housing and

should we go

-- how should we go about, for qualifications in that for housing first. So I want to suggest to my colleagues that maybe we could take up just no.3, the budget item, and audit and finance, and have a little bit more time to think about the budget and receive some input from stakeholders. Council member morrison?

[09:49:29]

>> Morrison: I think that sort of took some people by surprise, including me, and I understand from some of the community folks that it was the same way. And so that when I mentioned the 3 million as

-- for the home repair, in fact, that's what is going to be happening. What

-- what I might suggest is an alternative, and that is if we're talking about like how much it's going to be for permanent supportive housing and other things, maybe that's really a deeper dive into that, like, 11 million and 1.75 million. And so maybe what we could do

-- the alternative would be to pass this if we're comfortable with the allocation between rental and development, and then make sure that we have a good in depth discussion about how we're going to allocate this money within these big buckets. Because these are sort of the big buckets, as I understand it.

>> Cole: Yes, that's correct.

>> Morrison: So I guess what I'd like to say is I might be comfortable with that if there are needs to move forward from staff's perspective.

>> Cole: Betsy, let me be clear. We're not spending any money now.

>> That is correct.

>> Cole: We need the money, a million dollars for the geo repair needs to be done relatively quickly. Is that

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>> actually, all of it does need to occur in the sense we would be bringing forward to you next month conditional commitments for the tax credits. That comes out of the 11 million. And so I need to have the money in the budget to be able to bring forward to you action for conditional commitments on those projects.

>> Cole: Okay, but we've put the money in the budget when we approve the items earlier this morning.

>> So the way that goes is

-- so we take it from the neighborhood housing and community development office and then we transfer it. So now the finance corporation is accepting the funds, and then we have to do the capital budget. And so then the finance corporation is what I'll be bringing forward to you next month on the conditional commitments for the tax credit projects. So if I don't have the budget amendment, and maybe law can help me with this if I'm not doing this correctly

-- if I don't have the budget

-- the capital budget on the finance corporation side I don't believe I can bring forward to you the request for commitments on the tax credit projects.

[09:51:53]

>> Cole: Councilwoman morrison?

>> Morrison: So betsy, could you tell us what you would foresee if we were to pass this, how would you foresee us having the deeper discussion about

-- within these buckets, how we spend the money?

>> You know, I appreciate that. You've just

-- this has just come up. We do have our normal application process, and as I detailed this morning, we did make some changes to the scoring criteria based on the feedback that we received from the community two months ago. So we have increased the points for housing for permanent supportive housing, which was a huge need. We have increased points for units that are closer to transit oriented development, also for units for persons with disabilities. So we've modified our scoring criteria for some things. Now, remember every investment that we make, that exceeds \$300,000, comes back to this board that you have to approve all of those, but if you're looking for an opportunity to weigh in before we bring them to you, hmmm

-- I apologize, you've caught me off guard. I would like to be able to

-- I would like to be able to do that. Can I

-- can I have a little time to think

-- or you can answer that

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>> morrison: Trustee assistant director

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>> charged with ensuring community outreach reaches beyond. A couple of thoughts I have. I want you to know the housing bond review committee will remain intact, and so we will have a community-based review oversight board that serves as an advisory board to you will a of the development opportunities

-- to all of the development opportunities we'll bring to you. So that's one thing we just want you to know about. Mayor pro tem, what you had indicated related to automatic and finance, I believe we can give you analysis and a presentation that could get you comfortable with how we've allocated in those large buckets, because we have a needs assessment that is a very data driven process. We do that every year with the action plan. And so I think it does support where those funds have been allocated, as we look at housing first and look at different things that we know are council priorities, we can talk to you a little bit about that. We know that there is a need for geographic dispersion. We know that there is a need to marry affordability with transit. We know housing first is going to be a significant partnership that may require that we compete funds. So I think that there are different things that we can talk about in that context, but like betsy said, we would definitely want to go ahead and move with the more general action today, and then I think that what you had indicated is absolutely correct, we can have those more detailed discussions. That would be our recommendation.

[09:54:45]

>> Cole: So am I to understand that if we postpone item 3, simply postpone it to the next meeting, and actually hear the presentation that you're contemplating about the allocation of the dollars in audit and finance, we could still act on this item in three weeks and not run afoul of housing tax credit implications? I'm just simply trying to get some of the council members, especially those that have been dealt with

-- dealt with the bonds and housing issues, an opportunity in committee to hear your presentation and have some input on it before we approve the item.

>> Any presentation that we would prepare in the next few weeks to audit and finance would not necessarily be

-- we're not recommending funding for

-- we've not made final decisions on applications. We are currently receiving applications. What we are going to make recommendations on is the conditional investment for the tax credits so that they can meet their deadlines. There's a lot of

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>> cole: And when are you doing that. That.

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-- That are pending that we have not finalized, a than so for me to bring something to you in just a few weeks, we may

-- I don't know if it would be comprehensive enough to help you with that. We have several permanent supportive housing projects that are all in the works right now. There is just a lot of other stuff. There's some senior projects and other things. So I don't have applications complete to bring forward to you have in the next three weeks. I am concerned about postponing this item for

-- if you're wanting information on all of our applications we'd be investing in. I won't have that in a couple weeks.

>> Let me suggest another resolution of the issue. If we were to pass the capital budget in its current form right now, that would get

-- well, first we've got

-- the first two items on home repair services don't seem to be at issue, so we could deal with that. If we pass the last two items and allocated them as they have been recommended by staff, that would give betsy the 4 1/2 million she needs for the back allocated property for the tax credit funds. If we then chose after an audit and finance meeting to reallocate the remaining money around be rental housing developer assistance and acquisition and development, that's something we could do.

[09:57:13]

>> Yes, sir.

>> Spelman: But that would not give in the way of staff's ability to do the things they need to do right away. We still have something very useful to talk about.

>> Cole: Okay. So I'm understanding council member spelman to say that we could approve all the items, still discuss the capital budget in audit and finance, and then we could make any subsequent recommendations to council if we decided to do

that, and mostly I think that discuss in audit and finance will be policy-driven. And

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>> and we would welcome that input, absolutely.

>> Cole: So you have

-- so I'll entertain a motion on the

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>> second.

>> Cole: Council member spelman moves consent consent agenda, seconded by council member morrison. You have a comment?

>> Morrison: We mentioned the action plan and the needs assessment and all that, and you're already working on that for next year too. So I guess what we would be -- what we're responding to now is the action plan we adopted in august.

>> Correct.

>> Morrison: Right? Okay. So that's really what we're talking about, is that action plan. And we're trying to fold new things in like preservation of affordable housing and things like that. So I think that this makes a lot of sense. We can course correct if we need to afterwards, but this will allow us in audit and finance to pay a little more attention to what we get to in the action plan.

>> And remember that we will be

-- we'll be in the process of a market study the next couple months, and we'll have a draft of that in june. And then that will have updated data.

>> Cole: I'm glad you mentioned that market study. Council member tovo?

>> Tovo: I look forward to that conversation because I

-- and for all the reasons that have been suggested, I do think we need

-- we need to take a little time to really understand that suggested allocation and hear community feedback. So I hope we can get the word out to those who might be interested in participating and providing our automatic and finance committee with feedback that we're

-- when we're going to schedule that discussion. And council member morrison talked about affordable housing, preservation, and we are, I believe, going to hear back from housing if in february with some response back about preservation strategy, so hopefully that will give us time to really fold some of those priorities into our allocation decisions as well.

[09:59:32]

>> Yes, ma'am, that's correct.

>> Tovo: Thank you.

>> Cole: Okay, we have a motion and a second on the floor. All those in favor say aye.

>> Aye.

>> Cole: Aye. Opposed say no. That passes on a vote of 6-0.

>> Thank you.