

December 13, 2010

Mayor Lee Leffingwell, Mayor Pro-Tem Mike Martinez, and
Members, Austin City Council
P.O. Box 1088
Austin, TX 78778

Dear Mayor Leffingwell, Mayor Pro-Tem Martinez, and City Council Members:

We are writing to express our extreme concerns about the development of a section along East 5th Street proposed by Mr. Kevin Johns, Director Economic Growth and Redevelopment Services Office (EGRSO) of the City of Austin. It is called the “Brownfield Economic Development Initiative (BEDI)/108 Regeneration Project”

1. The map presented to the Community Development Commission August 8, 2010 by Mr. Johns and staff has as the target area the entire Saltillo Plaza Transit Oriented District, which includes the Capital Metro site.
 - Yet EGRSO’s memo dated October 29, 2010 shows that the BEDI target area boundaries are more limited—what was presented as Phase 1 in August. However, the memo lists key properties within Phase 1 that are outside that limited area, including the Saltillo Market Project and El Mundo Newspaper.
2. Staff has said that BEDI funds cannot be used for affordable housing—one of the projects the community has recommended for the area in question in not less than five studies done since the mid-1990s.
 - Yet the “Corazon Project” proposed as part of the BEDI is a live-work development that includes 85 residential condos with 51% allocated to families at 80% MFI. The median family income in this area is at 40 % MFI. The type of “affordable housing” being proposed is not affordable to the surrounding community. Any housing developed in the proposed BEDI project must be at 50% MFI or less.
3. Staff is proposing an artist’s colony on site. We see this proposed development as similar to that which the Austin Revitalization Authority projects had on African American East Austin, opening the way for private developers to build huge apartment complexes that have led to the geometric growth of gentrification.
 - We believe that any further City of Austin redevelopment initiatives for Latino East Austin should be by, for, and about our people.

We the undersigned strongly stand in opposition to this development. Therefore, we urge you to instruct the City Manager to stop this development and the BEDI application process. It will only add to and encourage further gentrification. We further urge you to direct staff to turn over leadership, management, and oversight of the development of the Plaza Saltillo TOD to a locally organized and community managed non-profit corporation, not to a City department or private developer. This non-profit must have as its base local residents and business people who are committed to the preservation of the heritage and culture of the Latino Community while encouraging improvements that benefit everyone.

There are numerous examples of local community organizations running successful development projects around the country, e.g. The East Los Angeles Community Union (Telacu) in Los Angeles, the Mexican-American Unity Council in San Antonio; and the Spanish Speaking Unity Council in San Francisco.

We further urge you to commit to fund land acquisition and infrastructure development for the project and assist with identifying appropriate private resources. This level of commitment is consistent with the findings of the Hispanic Quality of Life Initiative. Austin has a Spanish speaking population of around 35%, but we own less than one fourth of one per cent of total assets. The East Austin community needs to be and must be the lead when it comes to the type of development that goes into our neighborhoods. Neighborhood improvements and development cannot be accomplished without clear accountable protections for the residents and businesses of the area.

Please Respond to this letter by Thursday December 16, 2010.

Respectfully,

[Signature]
LULAC District III Director

[Signature]
Former of East Austin
UNIDOS of Austin
Coalition of 12 Community
Organizations local, State
and National...

[Signature]

[Signature]
People Organized in Defense of Earth's Resources

[Signature]
[Illegible]

[Signature]
EATAC
Francisco Martinez
Barrio Unido Neighborhood
Assoc.

[Signature]
UNITED EAST AUSTIN

[Signature]
Diana's Flower Shop

[Signature]
Perceado Studios Series Project

[Signature]
THE SIXTIES TR 3400 "Rescue the Land"

List of names on letter

Cynthia Vladez-Mata Jr., LULAC District VII, Director

Diana J. Herrera, Unidos of Austin

Daniel Llanes

Susana Almanza, PODER

Fidel Estrada, Estrada's Cleaners

Frances Martinez, Barrio Unido Neighborhood Association

Dan Arellano, LULAC 4882, Unidos Co-Chair

Sabino "Pio" Renteria, United East Austin

Peggy Vasquez, Hispanic Today Live TV

Diana E. Limon, Diana's Flower Shop

Jill Ramirez, Coronado Studios, Serie Project

Pete Diaz, SPOTLITE TV Show

Michael Guajardo, Guadalupe Association for Improved Neighborhoods

Development Opportunities within Saltillo TOD District

Who: The City of Austin's Community Development Commission, Neighborhood Housing and Community Development Department, Economic Growth and Redevelopment Services Office, and Planning & Development Review Department, want to work with you, the community where the Saltillo TOD District resides.

What: The City is seeking federal grants and low interest loans to develop businesses, jobs and affordable housing in the Plaza Saltillo Transit Oriented Development (TOD) District, create a destination for citizens and visitors (by rail, auto, bicycle and walking), and develop sustainable cultural spaces for Austin's creative community.

The Federal funding opportunity currently being pursued is a Housing and Urban Development (HUD) Brownfield Economic Development Initiative (BEDI) program grant, coupled with new HUD Section 108 – guaranteed loan commitments.

When: The HUD BEDI / Section 108 Loan Fund opportunity is expected to be released in August 2010, with an application deadline in September 2010. Notice of selection and award could take four months.

Where: Transit Oriented Development (TOD) District Boundary and Target Area Boundary (Phase 1)

- a. The general TOD boundaries are: IH-35 on the West, North Alley of East 7th Street, approximately one block East of Chicon Street, along and between East 3rd and 4th Streets.
- b. Target Area Boundaries: IH-35 on the West, North Alley of East 7th Street, Waller Street and East 3rd Street (Phase 1)

Why: For the Creation of Jobs, expanded Business and Economic Development, Sustainable Cultural Spaces, and Affordable Housing.

How: By securing federal funds as well as private investments designed to stimulate and promote economic and community development. This will be performed through a partnership between community members and the City of Austin. We hope to collaborate and find ways to help the local community and business sectors invest within the Plaza Saltillo TOD district, and to foster and enhance this near downtown destination for residents, businesses and creative industries.

For General Questions, contact Dusty McCormick at (512) 974-6390

