

Council Minutes January 22, 2015

STATE OF TEXAS §

COUNTY OF TARRANT §

CITY OF BEDFORD §

The City Council of the City of Bedford, Texas, met in joint work session with the Planning and Zoning Commission at 6:30 p.m. in the TXI Conference Room, 1805 L. Don Dodson on the 22nd day of January, 2015 with the following members present:

Jim Griffin	Mayor
Michael Boyter	Council Members
Ray Champney	
Jim Davisson	
Steve Farco	
Roger Fisher	
Roy W. Turner	

constituting a quorum.

The following members of the Planning and Zoning Commission were present:

Bill Reese	Chairperson
Mitchell Austin	Commissioners
Todd Carlson	
Ruth Culver	
Mickey Hall	
Jason Sinisi	
Hank Henning	Alternate

constituting a quorum.

Staff present included:

Beverly Griffith	City Manager
David Miller	Deputy City Manager
Michael Wells	City Secretary
Meg Jakubik	Assistant to the City Manager
Mirenda McQuagge-Walden	Managing Director
Emilio Sanchez	Planning Manager
Bill Syblon	Development Director

CALL TO ORDER/GENERAL COMMENTS

Mayor Griffin and Chairperson Reese called the Joint Work Session to order at 6:00 p.m. It was stated that the meeting is specific to a zoning opportunity on a piece of property off of Highway 121 and Harwood Road, and Bedford Commons or other projects will not be addressed.

JOINT WORK SESSION

- **Presentation and discussion regarding possible development at 2909 Crystal Springs Street.**

Development Director Bill Syblon stated that different opportunities for the site have come and gone, and he has worked with the broker to try and develop the property. Megan Lasch and Lisa Stephens with Saigebrook Development/Pinnacle Housing Group presented information regarding the development. Pinnacle Housing Group has been in the affordable housing, multi-family business for 17 years. They have 7,000 units in their portfolio and they are long-term owners who invest in the community and stay with their properties. They have 60 communities that are generally 95 to 98 percent occupied. They started working in Texas five years previously and will have 1,000 units in Texas by the end of the year. They discussed their art in public places program; green development, energy efficiency, and water conservation; and their resident places programs. They build market rate properties and use a financing tool to make them affordable to the work force. The tax credit program was developed in 1986 to provide housing and to encourage private investment. In the program, tax credits are allocated to the states who then allocate them to developers, such as themselves, through a competitive process. They then partner with private industries that have tax bills that purchase the credits, which provide the equity that is used to build the buildings. The tradeoff is that they agree to rent at affordable rates based on the area's median income (AMI). Overall, the program allows them to raise the level of equity while reducing the amount of debt, so they do not need to collect as much rent to cover the mortgage. They stated that the properties pay property taxes. They submit an application to the Texas Department of Housing & Community Affairs (TDHCA) and the City needs to provide a resolution of support for their application to TDHCA. A lot of their business is done with Wells Fargo and their firm is one of the largest developers with whom Wells Fargo works. Regarding how it is known they are going to maintain the property, it was stated that they are long-term owners; and they have to guarantee that when they sell tax credits, they keep the property occupied, well-run, and in compliance with the program's regulations. This project would be a \$9M investment in tax credits.

The site is 1.9 acres, which would have 80 to 90 units in a four-story mid-rise building elevated over parking. They would apply for Planned Development zoning prior to their application to the State, but the zoning process does not need to be complete for the application. Rents are based on AMI, which for Bedford is \$65,800. They target different brackets including market rate, 30, 50 and 60 percent of median income. Young people and families, single moms, and retirees are usually those that fit this criterion. There is no timeframe for residency and there is a stepping stone program created to allow residents to better themselves. Residents are allowed to stay until they meet 120 percent of AMI. The average residency is approximately seven years. Residents are required to recertify annually and management ensures everyone residing in a unit is on the lease. They discussed site plans and sketches, and displayed development renderings. They work a lot with stone, brick and "Hardie," but not vinyl siding, and they believe in long life cycles with the building products. The building would be wood frame over a podium. In regards to the resolution, the Council would not be resolving to do anything other than expressing support for the project, which is worth 17 points in the competitive process. They stated that they chose this property based on its proximity to a lot of jobs, the airport, grocery stores, schools and retail. The State requires they look at areas that have quick growth, and good schools, income and jobs. The height of the building would be between 50 and 60 feet, with 65 feet being the maximum height allowed by the Zoning Ordinance. In regards to Section 8 voucher holders, it is only relative if a holder applies to live in the property and passes the background check, and they would have the same income requirements. In regards to the selection process, they generally open the doors and put out advertising, and all of their properties have waiting lists. The property would have onsite management with a full-time property manager, a part-time leasing agent and a full-time maintenance person. In regards to

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the allocations, the State requires they do 10 percent at 30 percent of AMI and 40 percent at 50 percent of AMI, while the remainder is up to their discretion. They have their own requirements, which include background and criminal checks, minimum income, and employment verification. There are no other demographic criteria that can be applied per the Fair Housing Act. They are also required to target up to 30 percent of their units to veterans. They displayed pictures showing unit details and examples of the interior. In regards to their art in public places program, they commission local artists to do sculptures or murals for the properties. In answer to questions to staff, it was stated that the percentage of multifamily properties in the City is approximately 40 percent of housing stock. Ms. Lasch and Ms. Stephens stated that they find that most residents come from within a seven-to-ten mile radius. In regards to resident programs, they work with Skillpoint, a non-profit in Austin, which primarily pursues grants and will offer continuing education classes and a training program suited to the jobs in the area. They have plenty of programs that are brought to the residents instead of them having to go to an external location. In regards to zoning, the strategy would be for a Planned Unit Development that incorporates Heavy Commercial in case the multifamily component falls through. They would be required to have site control, there is a due diligence period, and their contract is contingent on receiving funding. There would generally be 20 to 25 percent one-bedroom units, 50 percents two-bedroom units and the remainder three-bedroom units. They stated that the site falls in a census tract that scores better with TDHCA, that it is adjacent to existing multifamily with a buffer of storage units and is in proximity to major roads. They discussed their experiences with other cities and invited Council and the Commission to examine their references. They stated that the resolution of support is due by April 1. It was stated that the site does not fit into the Master Highway Corridor Overlay District (MHC). There was discussion on concerns regarding the site being on a hill across the street from the MHC, and the property being multifamily.

Chairperson Reese adjourned the Planning and Zoning Commission portion of the Joint Work Session at 6:44 p.m. in order to start their regular meeting at City Hall.

There was discussion on amenities such as a terrace, deck and interior components; and bringing in groups of people who would lower the AMI. In answer to questions from Council, Ms. Lasch and Ms. Stephens stated that they need to get approximately 180 points on their application, of which 12 points would come from support from State Representative Stickland's office; that their closest completed project is a rehabilitation in Denton; that they are framing the second floor on Summit Park; that the people who would occupy the units already live in the area and would be shifting to higher quality housing; that the site is difficult for development, is surrounded by uses that would not be compatible to a lot of things, and the project could add to the tax base. There was discussion on hearing from the public before making decisions, and the stigma of subsidized and multifamily housing. They stated that they do not need anything formal from the Council to proceed; that their next step is to put together materials for Planning and Zoning; that they want to be a good member of the community; and taking feedback from public hearings and incorporating it into the project to make it more acceptable to the community.

Eddie Liebman with The Weitzman Group, the broker for the property, stated that they have listed the property for a long period of time and he has been working on it since 2001. The site is not suitable for retail, restaurants or hotels, and the best category is apartments. He had the same concerns expressed regarding the perception of a multifamily use that is operated on tax credits, but after studying Saigebrook/Pinnacle, he is now extremely comfortable with them. He has determined what they propose is the highest and best use for the property.

ADJOURNMENT

Mayor Griffin adjourned the Work Session at 7:01 p.m.

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Jim Griffin, Mayor

ATTEST:

Michael Wells, City Secretary