

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

PUBLIC HEARING

FOR COMMENT ON

2017 COMPETITIVE HOUSING TAX CREDIT APPLICATIONS

City Hall Council Chamber
Second Floor
901 Bagby
Houston, Texas 77002

6:10 p.m

Tuesday,
April 4, 2017

PRESIDING: SHARON GAMBLE, 9% Competitive
Housing Tax Credit Program Admin.

ON THE RECORD REPORTING
(512) 450-0342

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P R O C E E D I N G S

1
2 MS. GAMBLE: Good evening. Let the record show
3 that it's 6:10 p.m. My name is Sharon Gamble. I'm here
4 to conduct a hearing on behalf of the Texas Department of
5 Housing and Community Affairs.

6 The Department's mission is to administer its
7 assigned programs efficiently, transparently, and
8 lawfully, and to invest its resources strategically and
9 develop high-quality affordable housing which allows Texas
10 communities to thrive. Through our rental housing
11 programs, the Department encourages the new construction
12 or rehabilitation of high-quality housing, primarily
13 through private developers. These developments benefit
14 Texans by providing qualified families and individuals
15 with safe, affordable, quality housing.

16 The Department considers public comment very
17 important, and to support the significance of comment, the
18 Department is conducting seven public hearings around the
19 state of Texas in order to receive public comment for any
20 of the 2017 Competitive Housing Tax Credit Applications.
21 This public hearing is being held in Houston, Texas, at
22 the City Hall Annex Chamber.

23 You may provide comment for any 2017
24 Competitive Housing Tax Credit Application. All comment
25 that you provide today will be recorded, and a summary of

1 that comment will be presented to the Department's Board
2 prior to the final award recommendations.

3 If you wish to speak but haven't completed a
4 witness affirmation form, please be sure and complete one,
5 and hand it to Elizabeth during this meeting. Also, if
6 you do not wish to speak but would like to provide
7 comment, your witness affirmation form may also serve as
8 comment and will be included in the public comment summary
9 to the Department's Board. If you've not signed in,
10 please do, so the Department will have a record of
11 attendance for this hearing.

12 If you are speaking on behalf of a group, feel
13 free to indicate this by asking all persons in the group
14 to stand. Each person will count as either support or
15 opposition, based on your comments.

16 If there are any elected public officials here,
17 we would ask that they be given the courtesy of coming to
18 the podium first. We will try to organize the remaining
19 witness affirmations by project, in this case by order of
20 receipt, so that the folks wishing to speak to the same
21 development are heard at the same time.

22 When you come to the podium, please state your
23 name clearly for the record, as well as the development
24 name and/or application number for which you are speaking.

25 You must come to the microphone to speak. Each person

1 will be given three minutes or more to make their
2 comments.

3 Please take this into account when providing
4 your comments, so as to provide everyone the opportunity
5 to speak if they want to.

6 Are there any questions before I begin?

7 (No response.)

8 MS. GAMBLE: There being no questions, our
9 first speaker, Mr. John P. Hansen.

10 MR. HANSEN: Good evening, and thank you very
11 much for the opportunity to speak regarding this
12 particular project. I'm speaking on a project -- I
13 believe the number is 17322, which is called Provision at
14 Wilcrest.

15 I am currently the trustee representing
16 District 6 of the Houston Community College. Prior to
17 that I, for 22 years, sat on the Alief Independent School
18 District board of trustees. And of course I live in this
19 particular area, so I'm quite familiar with the location.

20 I am speaking in opposition to the project, and
21 I have three reasons for that: one, that the market in
22 the Alief area is rather soft at this point, and the
23 additional apartment units are really not needed; number
24 two, that this project located at the proposed location
25 will be, I believe, harmful to the Alief Independent

1 School District; and, number three, it does not conform to
2 a number of the rules which apply to this type of
3 subsidized project.

4 I'm only going to speak to the first two,
5 because my colleague Darin Gosda is going to speak on the
6 third one about the conformity of the rules.

7 In terms of the need for the project, according
8 to the data collected by the Alief Independent School
9 District, the current occupancy rate in the Alief area is
10 89 percent, which is relatively low. It's typically more
11 in the mid-90s.

12 And that represents about 5500 apartment units
13 that are, at this point, vacant. And with that kind of
14 surplus in the market, we really don't see that it's even
15 a good business proposition, much less the impact upon the
16 community, to be constructing at this time. Obviously in
17 a different situation you might come to a different
18 conclusion.

19 The Alief area has unfortunately been blessed
20 with a great deal of subsidized low-income housing. To a
21 point it's a good thing. Unfortunately, carried beyond a
22 point, it can become a negative for a community.

23 The whole intent, as I have understood it, of
24 the subsidized housing program is to try to get low-income
25 families more evenly dispersed in the area, so that we

1 break up these high concentrations of low-income
2 residents. And what has been happening in Alief is that
3 we are recreating a low-income concentration because of
4 the large number of projects that have come in.

5 Again, according to the data that's been
6 collected by the school district, the average density in
7 Harris County is 20 units per square mile. In Alief it's
8 64 units per square mile. And just a brief distance away
9 over the border, Fort Bend County is 1.34 units per square
10 mile, which really should tell you a great deal about the
11 high density that's been built up in our community.

12 Having served on the school board, I can see
13 the problems that we have when the concentration of low-
14 income kids becomes too high. No one is saying that they
15 don't count. No one is saying it's not important to
16 provide good public services, including an education, for
17 these kids.

18 The trouble is that when your percentage of
19 low-income kids in your classrooms becomes too high, it
20 becomes exceedingly difficult to run a successful
21 educational program.

22 At the present time the number -- the
23 percentage of students in Alief that are on free and
24 reduced lunch is about five out of six students, around
25 82, 83 percent.

1 And we have worked very diligently trying to
2 keep that percentage from getting any higher, not because
3 we dislike low-income students -- we have quite a large
4 number of them -- but because as that percentage
5 approaches 100 percent, it becomes increasingly difficult
6 for the classroom teachers to be successful.

7 So what we're appealing is not that there
8 shouldn't be affordable housing, but it shouldn't all be
9 in Alief.

10 So I think that a great deal of this material
11 has already been sent by the school district to the agency
12 in Austin, and so my purpose here is merely to be
13 reminding people of what it is we're trying to argue, and
14 the hope is that projects like this can go in areas that
15 don't have affordable housing and really need it. In
16 Alief at this point we're pretty well supplied with the
17 affordable housing, and therefore we think that this
18 application should be rejected.

19 Thank you very much.

20 MS. GAMBLE: Thank you, sir.

21 Next we'll hear from Mr. Doug Smith.

22 MR. SMITH: Thank you. You have my name. I'm
23 here to speak on the Provision at Wilcrest.

24 In my opinion, this project, given the
25 location, is like dropping an apartment complex into the

1 middle of an industrial park. On the west border of the
2 property there is a high-voltage power line, and directly
3 in the middle of the property, right on the property line,
4 is about a 10-story high-voltage power-line tower.

5 Just beyond that is the metro maintenance
6 facility for West Houston. To the north there is a mini-
7 storage building and a brand-new four-story motel that
8 blocks any view of anything.

9 Across the street to the east there is a
10 warehouse for furniture, and, in my opinion the biggest
11 problem, a concrete-crushing plant with the noise
12 associated with that and 18-wheeled vehicles going in and
13 out of the property all day.

14 And then finally the last direction, to the
15 south, there is a natural gas -- a high-pressure natural
16 gas pump station, and just beyond that is the Westpark
17 toll road, less than half a block away, along with all of
18 the noise the high-speed traffic causes from that, except,
19 of course, during rush hour, when nobody's moving. But it
20 just does not seem to be the right place for this project.

21 I reviewed the 2017 HTC full application, and a
22 couple of things popped out in my mind. One of them was
23 there's an area there that says they certified that no
24 neighborhood organization exists for which this
25 application notification is required.

1 That is incorrect, because this property is in
2 Superneighborhood 19 for the city of Houston.
3 Additionally regarding the superneighborhoods, the same
4 developer came to my superneighborhood, which borders on
5 this, last year for a project that was just outside of our
6 boundaries, just like this project is just outside of our
7 boundaries.

8 They wanted to do a similar project. We
9 approved it, and yet they didn't come to us this time,
10 which tells me they were concerned they wouldn't get our
11 approval.

12 And I'd also like to mention that, yes, it
13 passed the City of Houston city council, but since that
14 time, in some of the correspondence that's gone back and
15 forth between the various people that are talking about
16 this and opposing it, it's my understanding that city
17 council member Lee, who represents District F, where this
18 project is located, has withdrawn his support.

19 It was sold to him as an entry-level
20 professional housing, and obviously it's not that. And my
21 feeling that when the city council votes on something,
22 they defer to the council member in whose district it is,
23 and if he is in favor of it, they typically vote for it.
24 If he is opposed, they do not vote for it.

25 And now that he's opposed, you know, it's a

1 different story, and I would suggest two things: First of
2 all, if you -- before you finally approve this project,
3 you take it back to city council and see where things are
4 actually at, since it was misrepresented, according to
5 Steve Lee, and also that you contact the superneighborhood
6 that is part of this development project, to obtain their
7 input, which was not asked for.

8 Thank you.

9 MS. GAMBLE: Thank you, sir.

10 Forgive me. Darin Gosda?

11 MS. GOSDA: You got it right. Good job.

12 I'm Darin Gosda. I'm an area resident in the
13 district; I've been so for 16 years. I'm in the real
14 estate business, very familiar with these projects;
15 familiar with John Hansen as a neighbor of my mother, who
16 has also been in the subdivision for quite some time; and,
17 again, familiar with these projects and what they entail.

18 Let me start off by saying, much like what John
19 indicated and a lot of what Doug said -- it'll supplement
20 what he has -- this is not a NIMBY issue; this is not a
21 not-in-my-neighborhood issue.

22 I'm not against low-income housing. I've
23 probably participated in and helped site select for
24 probably close to 10 projects throughout the Houston
25 metroplex, both seniors and family projects.

1 No, this isn't that. It's more a matter of
2 other issues. Number one, I have sent an email to the
3 TDHCA, to you, Sharon. Hopefully that gives you some
4 clarity on the site and the issues that I'm going to touch
5 on, in addition to photographs that get you onsite
6 reconnaissance of what we're talking about, much of what
7 Doug has already alluded to.

8 Number one, the issues I'm going to just
9 discuss briefly are the TDHCA site ineligibility. The
10 next would be the market -- apartment saturation, which
11 John's already talked towards.

12 Lastly is a small comment on the cost and
13 benefit consideration for this for TDHCA funds. And
14 lastly is opposition from the schools and neighborhoods;
15 it does exist.

16 I don't want to go into detail, but on the
17 first issue, the ineligibility under TDHCA rules, if you
18 look under subchapter B, the site development requirements
19 and restrictions, and also the undesirable site features,
20 a couple of the sites to be noted and as evidenced within
21 the handouts that I've passed to you is, number one, the
22 floodplain.

23 In the application which I've read, which is of
24 some 317-page, -20-page document, the developer does
25 disclose that the site is in AE, which is inside the 100-

1 year floodplain. But later in the package, in the site
2 plan, which shows the building layout and the
3 configuration, it specifically says that the site is not
4 in the floodplain.

5 So I'm not sure how they're intending to
6 development in accordance to the standards, but
7 nonetheless, that's one of the issues I wanted to bring to
8 light, because it's called for to be developed in full
9 compliance with the National Flood Protection Act.

10 The next issue was mentioned before, the high-
11 voltage transmission lines on two of the four sides of the
12 property. That is a CenterPoint line.

13 The third issue is the Kinder Morgan gas
14 pipeline on two sides of the property. The other one is
15 there's no -- I don't think there was any disclosure or
16 signage on the hearing. I don't think that's a
17 requirement anymore, just as a sidebar.

18 And then lastly and most importantly is it's
19 ineligible specifically because of the Southern Crushed
20 Concrete site, the heavy industrial facility. You've seen
21 pictures of that. That was the -- when I was standing
22 there in a matter of 10 minutes, of the semi-tractor
23 trailers coming there, in and out, and that crusher's been
24 there ever since I've lived there, and it's not 500 feet
25 from the property. You can throw a stone there. It's

1 well within 100 feet of the property.

2 I'll move on to the market saturation. You'll
3 see in the last part of my package it shows you there are
4 54 subdivisions and yet 122 apartment complexes in that
5 Alief district, and you can tell by the colored graphics
6 to show that is saturated, literally, with multifamily
7 developments, which, again, burdens the school system.

8 Lastly, the -- well, another point to say is
9 neighborhood opposition. I polled people through Nextdoor
10 in the neighborhoods -- not our neighborhood, but those
11 around there in the Alief district, and I have 90 percent
12 opposition to this project, well over 238 people that were
13 polled.

14 I've also seen letters of opposition with Alief
15 superneighborhood, the Alief ISD, and the poll I just
16 mentioned.

17 And lastly, when -- I have done a number of
18 these TDHCA sites throughout the city, and we have done so
19 at costs far less than 10 dollars a square foot to the
20 land. This project is \$2.6 million on a land acquisition
21 per the contract within their package. It is \$2.6 million
22 on 3.45 acres, which is equivalent to \$17.25 a foot, which
23 easily us at least three times anything I've ever seen or
24 done, and my argument is from an economic standpoint or a
25 cost-benefit standpoint to those in need, that that funds

1 can be used in a lot better locations and a lot better
2 numbers.

3 And I know the market, because I do commercial
4 real estate. Thank you.

5 MS. GAMBLE: Thank you.

6 Ms. Barbara Quattro.

7 MS. QUATTRO: Good afternoon. I took a straw
8 vote. I'm -- excuse me. I'm the chair of the Alief
9 superneighborhood council, and I took a straw vote at our
10 last meeting, and the people at the meeting were
11 unanimously opposed to this project.

12 We have, in Alief, 55,000 apartment units
13 within the Alief school district. We have more than 200
14 apartment buildings. We think that this project will
15 overload the schools. We have in the past approved -- in
16 fact, the last three -- I believe the last three projects
17 that have come before the superneighborhood, we have
18 approved them, but this one, the developer did not come to
19 us first, and we've just -- the superneighborhood opposes
20 it.

21 Thank you.

22 MS. GAMBLE: Thank you, ma'am.

23 That is all the witness affirmation forms that
24 I have. This is sort of last call for public comment at
25 this hearing.

1 (No response.)

2 MS. GAMBLE: Okay. Excellent. In closing, a
3 detailed log of all the applications is posted on the
4 department's website. That log is updated as we go
5 through and review the files.

6 We will be accepting written comments outside
7 of this meeting. Such comments must be submitted prior to
8 five o'clock p.m. Central Time Zone, on June 23, 2017.
9 You can email those to me; you can email them -- or you
10 can mail them to me; just make sure that we get them
11 before five o'clock on June 23.

12 I want to thank you for your participation and,
13 again, public input is very important to the department.
14 Your comments will be included in the board summary for
15 each application considered for an award.

16 The board will make final decisions for
17 allocation in the 2017 Competitive Housing Tax Credit
18 Applications at the late July meeting. I believe that
19 meeting is July 30. It's the last Thursday of July.

20 For additional information you may contact me,
21 Sharon Gamble, by email or by phone, and my business cards
22 are up there on the table. You may also visit the
23 program's website at www.tdhca.state.tx.us.

24 This concludes the public hearing. Let the
25 record show it is 6:29 p.m. This hearing is now

1 adjourned.

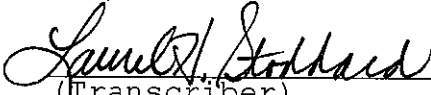
2 (Whereupon, at 6:29 p.m., the hearing was

3 concluded.)

C E R T I F I C A T E

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3 IN RE: TDHCA Public Hearing on 2017 Competitive
4 Housing Tax Credit Applications
5 LOCATION: Houston, Texas
6 DATE: April 4, 2017

7 I do hereby certify that the foregoing pages,
8 numbers 1 through 18, inclusive, are the true, accurate,
9 and complete transcript prepared from the verbal recording
10 made by electronic recording by Leslie Berridge before the
11 Texas Department of Housing and Community Affairs.
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 4/10/2017
(Transcriber) (Date)

On the Record Reporting
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