

710 EAST SAN AUGUSTINE

DEER PARK, TEXAS 77536

Minutes

of

A PRELIMINARY PUBLIC HEARING OF THE PLANNING AND ZONING COMMISSION OF THE CITY OF DEER PARK, TEXAS, HELD IN THE CITY HALL, 710 EAST SAN AUGUSTINE STREET, DECEMBER 04, 2017 BEGINNING AT 7:00 P.M. ON THE REQUEST FROM GEORGE GENNEDY AND OAKLAKE COMMUNITY HOUSING TO REZONE 301 W. SAN AUGUSTINE STREET SINGLE FAMILY 2 (SF-2) TO MULTI-FAMILY 2 (MF-2) TO CONSTRUCT AND OPERATE A SENIORS ONLY MULTI-FAMILY PROPERTY WITH THE FOLLOWING MEMBERS PRESENT:

DANIELL WENDEBURG	CHAIRMAN
DON TIPPITT	COMMISSIONER
DOUGLAS COX	COMMISSIONER
RAY BALUSEK	COMMISSIONER
STAN GARRETT	COMMISSIONER

OTHER CITY OFFICIALS PRESENT WERE:

SHANNON BENNETT	CITY SECRETARY
LARRY BROTHERTON	BUILDING OFFICIAL

1. NOTICE OF PRELIMINARY PUBLIC HEARING - The Preliminary Public Hearing was opened by the City Secretary reading the Notice of Preliminary Public Hearing. (Exhibit A)
2. HEARING OPENED FOR THOSE PERSONS DESIRING TO SPEAK IN FAVOR OF THE REQUEST – Chairman Wendeburg opened the hearing for those wishing to speak in favor of the request.

Dan Allgeier, 3701 Kirby Drive, Suite 860 Houston, Texas 77098, commented, “I am with Inter-Faith Group, a non-profit organization that was established in 1965. We own and manage multi-family housing. We provided services for residence of multi-family housing, not just for the properties we own but also in five different states. It’s a big organization that has been around for a long time. We are proposing 82 units of apartments, one and two bedrooms within three buildings. There are different one story and two story buildings. There is already a pre significant masonry fence around this so you can’t see in the other peoples backyard.”

Mr. Allgeier showed a powerpoint presentation of an aerial view of the building site.
(Exhibit B1- B11)

Commissioner Balusek asked, “Those are one story buildings boarding the homes?”

Mr. Allgeier responded, “Yes.”

Commissioner Balusek asked, “Is the center point going to be the parking area?”

Mr. Allgeier responded, “Yes. It is already paved.”

Commissioner Balusek asked, “Would that be a leveled concreted parking lot?”

Mr. Allgeier responded, “Yes. We would fix the pumps and the storm water retention pond.”

Mr. Allgeier continued, “These units are for seniors that are 55 years and over. Seventy three units will be affordable units. By affordable, I mean the residents are restricted to less than 60% of the area medium income which is about \$70,000 in Deer Park. The rent would be adjusted accordingly. The Housing Tax Credit Program has been around since 1986. This is private money; it is not federal funds. It is tax credits that are sold to private investors and big companies. Companies like Google, Wal-Mart, Brookshire Hathaway and Chase Bank buy them anticipating to make money and they get a tax credit. That is how it works. Because we get that credit, we can get the equity and the debt is smaller so we can charge lesser rent. The operating cost is just like any other apartment. The only difference is, my debt is smaller. We spend every penny on a market rate deal. There are only 73 units, not 82 units, I misspoke. Absolutely everyone that will live in the property will have to be 55 or older. We pay full property taxes and pay \$60,000 to \$70,000 a year to the school district and there are no kids. Rent is very dependent on income, but we have some market rate units as well. We have a lot of people looking over our shoulders. Operations are monitored by the State, our investor and our lender. It has to stay this way for at least 15 years, 30 years nowadays. There is onsite services available for the residence and all residents have to have social security checks. There are background checks that are done as well. We give preference to veterans, which is legal, so we do it. This would benefit the City by increasing the tax base, the development of a vacant under utilized parcel, utilities revenue, the economic developments from the National Family Housing Counsel, going to the doctor, the grocery store and over the life, could bring in \$15,000,000. Also 124 jobs supported, not counting construction.”

Commissioner Balusek asked, “What assurances does the City have should this be granted that it would actually go through?”

Mr. Allgeier responded, “We will make an application to the Texas Department of Housing for an allocation of credits, which is a competitive process. We may or may not get an allocation of credits.”

Commissioner Balusek responded, “See, that is our problem in the fact that if this is granted,

that is it, a multi- family property thing now.”

Mr. Allgeier responded, “I am not going to speak for your staff, but other Cities have made it conditional. I am not a lawyer or an administrator.”

Commissioner Balusek responded, “We do not have that option here.”

Mr. Allgeier commented, “Well, it is a competitive process and there is no guarantee we are going to get an allocation of credits. The Governor just signed the rules Friday and it scores pretty well, but we do not know.”

Chairman Wendeburg asked, “I have dealt with TDHCA for many years and I know one thing, you can check to find out what funds are available. Have you checked?”

Mr. Allgeier responded, “Yes. We know exactly how much money is available, we just do not know who else is going to put in applications. We won’t know until the third of January or the week after that. The issue is that it is a very competitive process.”

Chairman Wendeburg asked, “So you will know, after the first of the year?”

Mr. Allgeier responded, “Yes we will know but I will not mislead you, it is a competitive process.”

Commissioner Cox asked, “Has Oaklake Properties ever sold property at some point in time?”

Mr. Allgeier responded, “As of yet, no. As a matter of fact, we are a purchaser of properties. We just bought two in McKinney, Texas. This type of property, even if this was sold, it is a deed restriction and you have to keep it the way it is. The State requires that you keep it that way for 30 years in Texas.”

Chairman Wendeburg asked, “What is your time line if the funds are allocated?”

Mr. Allgeier responded, “We will start building right away. They decided July of next year, the last Thursday of that month. We will then have to be in a position to show them that we have a building permit within 90 days. Once we pull the permit, we can start building.”

Chairman Wendeburg asked, “Does it cost to apply for the funds?”

Mr. Allgeier responded, “Yes, by July we will have about \$100,000 tied up in this, which we will be reimbursed if we get it. By October, with all the architectural fees, we will have a lot tied up in it.”

Commissioner Garrett asked, "Do you have an idea of the percentage of these that you have applied for that you have gotten?"

Mr. Allgeier responded, "Yes, about 75% to 80% because I will not spend the money if I don't think I will get it. I have been at this since 1986. We do not do deals we don't think we can get done."

Commissioner Garrett asked, "These will have deed restrictions?"

Mr. Allgeier responded, "Yes. It is public information and I can send you a copy. It is pretty lengthy and they are very specific. There is a department at TDHCA to assure that you comply."

Commissioner Garrett asked, "These have nothing to do with Section 8 or HUD?"

Mr. Allgeier responded, "These have nothing to do with HUD. Conceivably, we could ask for a HUD guarantee mortgage, but I am not sure we would do that. I would have to be in position at the end of October to get it done and they usually don't get it done that fast. We would go with Fannie Mae or Freddie Mac in the mortgage market. That is the least of the problem."

Commissioner Garrett asked, "Is there a limit to the number of people allowed in each unit?"

Mr. Allgeier commented, "Yes, two persons per bedroom. That is State rule. Our average resident is a single or a couple on Social Security or a Pension. They are not poor, but they are independent. They have to get around and the City does not have a bus system so they have to drive. Some of the seniors properties are pretty nice. There are even concerts."

Commissioner Tippit asked, "Is the fencing going to stay?"

Mr. Allgeier responded, "Yes. We are not going to take the fencing down. We are not going to do much site work wise that we don't have to do. Building costs right now are expensive to build."

Mr. Garrett asked, "Is the fence that is currently around the building sufficient to what you need?"

Mr. Allgeier responded, "Yes, for what we need, as long as it meets the zoning requirements and the City is happy."

Commissioner Tippit asked, "How far do these buildings sit back on the property?"

Mr. Allgeier responded, "To be honest, the architect that laid it out, looked at the zoning and building requirements and that is what he did, he used those set back requirements. I do not know what they are."

Building Official, Larry Brotherton commented, “The rear building line would be 20 feet, the multi-story would have to be 300 feet from any residential lot. We don’t have any plans yet.

Mr. Allgeier commented, “The architect looked at everything with the City when he did it and allegedly, this all fits according to the professional.”

Commissioner Tippit asked, “Any traffic studies?”

Mr. Allgeier responded, “No, typically, having been asked that by other cities, we generate about 60% of the traffic of an average apartment complex because we don’t take kids to school in the morning.”

Mr. Brotherton commented, “Mr Tippit, with our new subdivision ordinance, the Public Works Director can require a traffic study should this rezone happen.”

Commissioner Garrett asked, “Does this include commercial property?”

Mr. Allgeier responded, No.”

Commissioner Cox asked, “Are there 128 parking spaces? Mr. Brotherton, are we ok with parking?”

Mr. Brotherton responded, “No. The ordinance requires two for every one bedroom and two and one-half for every two bedrooms.”

Mr. Allgeier commented, “We have room to put a little bit more if we have to.”

Mr. Tippit asked, “Have you done the math on this?”

Mr. Brotherton answered, “No.”

Mr. Allgeier commented, “We will make sure it gets done right or we are not going to get a building permit.”

3. HEARING OPENED FOR THOSE PERSONS DESIRING TO SPEAK AGAINST THE REQUEST – Chairman Wendeburg opened the hearing for those wishing to speak against the request.

Linda Applegate, 314 W. Forrest Lane asked, “I am just wondering how far will the apartment complex be from the fence?”

Mr. Brotherton responded, “Twenty feet.”

Ms. Applegate asked, "Are there patios back there?"

Mr. Brotherton responded, "That would be the vertical structure part, not yard."

Ms. Applegate asked, "How do we have a guarantee that it will be only one story and not decided to put two or three stories?"

Commissioner Garrett commented, "He cannot change his request without coming back before the Planning and Zoning Commission."

Ms. Applegate asked, "How will it effect our property as far as value and the taxes? I am kind of against it."

Ms. Applegate submitted a letter from her neighbor against the rezone to the City Secretary.

Velma Repolo, 318 West Forrest, commented, "I have lived in Deer Park practically all my life. I have seen this happen a million times. I was here to protest when they wanted to change it to single family, that didn't work out. It was going to be a nice subdivision there, but then they found out they weren't going to make any money on it. I couldn't hear a word, but I think that those of us who live in that area need time to see this proposal before you make a decision for us since we live there. I venture to say that no one that lives on West Forrest can live on Social Security. Our homes, are what we have and the value of them are important to us. We pay now, if we are 65 or older, we don't pay what we paid before. I venture to say, that these apartments are not going to bring in the taxes that would have been brought had they rezoned this for single family houses valued at \$300,000 to \$400,000. We have another senior citizen place in Deer Park; this jumped up and bit us all. We are here tonight, all of us who came want to know what is really going to happen, what this proposal is. I am a busy person. I still work and have a place on Center Street. I would like to know how this is going to impact me? I would ask that you all give us time to look at this proposal and have another meeting without making a decision tonight. I think it would not be in the best interest to jump in and rezone."

Commissioner Balusek commented, "We will not make a decision tonight, we just merely make a recommendation. City Council will make a final decision which is thirty days down the line."

Ms. Repolo asked, "Can we have this proposal for us to look at before then if perhaps we want to come back to City Council? These people are just as concerned as I am."

Commissioner Balusek responded, "We will make a recommendation to City Council and they will make a final decision about a month from now."

Ms. Repolo asked, "Do we not have the right as citizens of Deer Park to see what we are getting in our backyard? Can we at least look at this proposal so that if we have to go to City Council, we would have an idea of what we are talking about? Could we see the proposal?"

Commissioner Tippit responded, "I don't see why they wouldn't share this information with you."

Ms. Repolo commented, "Apparently it was not posted until November 30th. I don't how we found out about it, but somebody obviously. Most of us have been here a long time."

Chairman Wendeburg commented, "There is a way to make this known to the public, let me find out what we need to do."

Ms. Repolo, asked, "How will we know?"

Chairman Wendeburg responded, "We will get the notice out. We need to find out more about this before sending it to Council for a yea or nae vote."

Ms. Repolo responded, "That will be great. Thank you."

Briscoe Cain, 302 West Oak Street, commented, "Chairman, Members of the Board, thanks for having us out tonight. I see a full room, from what I understand, many people oppose this. This should remain for single family only. I ask that you make your recommendation to be against changing the zoning of this property. As the State Representative in Austin, I represent the City of Deer Park. I have heard nothing but opposition to this plan. I hear tonight that they say it is not low income housing, I don't care what they say, it is low income housing."

RECESSED/RECONVENED – Chairman Wendeburg recessed the Preliminary Public Hearing at 7:28 p.m. to open the Board of Adjustment meeting and reconvened at 7:29 p.m.

Mr. Cain continued, "I understand they told you this was not low income housing, but this is exactly what it is. It is called the low income housing tax credit. We don't need more of this in Deer Park. It is going to attract people that necessarily need and require government subsidization. It is going to bring in investors that feed off of your money. The only reason they have finances to build these complexes is because of your money. No matter how nice they paint or how pretty it is built, it is going to be a burden on our City. It will eventually degrade, the tax subsidy will lower and at the end of the day, it will turn into general apartment complexes that we do not need here in Deer Park. I ask you to recommend it not be rezoned."

RECESSED/RECONVENED – Chairman Wendeburg recessed the Preliminary Public Hearing at 7:30 p.m. to open the Planning and Zoning meeting and reconvened at 7:31 p.m.

Damion Doyle, 3809 Brownwind Trail commented, "I have lived on Forrest Lane for over 10 years. I understand the need at times to rezone considering changes in the City and circumstances. In this particular case, I think it is completely unnecessary. The owner of this property has had 15 years to decide what he wants to do with it. To come in now and to make

changes and do something different at this time when people have lived with the property the way it is. New people have come in and bought houses there with the understanding that the property behind them, their backyard neighbors are going to be single family homes. To have that changed, I believe that is unfair to the residence of West Forrest Lane.”

Shelley Stokes, 321 Sylvia, commented, “I am asking that you not rezone and keep it as single family.”

Ms. Stokes advised a citizen in the audience on how to find and print the information presented in the Public Hearing.

Linda Cottral, 402 West Forrest Lane, commented, “I appreciate what Mr. Cain said. I am very much against building the apartments. I think it will lower the property value of my home and some other homes that surround the apartments. Again, I am against the building of these apartments.

4. HEARING CLOSED – Chairman Wendeburg closed the hearing at 7:33 p.m.

ATTEST:

APPROVED:

Shannon Bennett, TRMC
City Secretary

Danielle Wendeburg, Chairman
Planning and Zoning Commission