

The City Council of the City of Seabrook met in regular session on Tuesday, December 4, 2018 at 6:00 p.m. in Seabrook City Hall, 1700 1st Street, Seabrook, Texas to discuss, consider and if appropriate, take action on the items listed below.

THOSE PRESENT WERE:

THOM KOLUPSKI

ED KLEIN

LAURA DAVIS

JEFF LARSON

NATALIE PICHA

BUDDY HAMMANN

JOE MACHOL

GAYLE COOK

SEAN LANDIS

STEVE WEATHERED

ROBIN HICKS

MAYOR

COUNCIL PLACE NO. 1

COUNCIL PLACE NO. 2

COUNCIL PLACE NO. 3

MAYOR PRO TEM

COUNCIL PLACE NO. 4

COUNCIL PLACE NO. 5

COUNCIL PLACE NO. 6

CITY MANAGER

DEPUTY CITY MANAGER

CITY ATTORNEY

CITY SECRETARY

Mayor Kolupski called the meeting to order at 7:00 p.m. and led the audience in the United States and Texas Pledge of Allegiance.

1. PRESENTATIONS

1.1 Presentation regarding the Low Income Housing Tax Credit (LIHTC) application by Seaside Lodge at Chesapeake Bay to request a Resolution of Support from City Council. (Applicant)

David Kugler, of Mark-Dana Corporation, thank the Council for the opportunity to present the Low Income Housing Tax Credit (LIHTC) information to them, and explained that this project is to apply for tax credits. TDHCA requires that the tax credit applicant discloses to the local City Council that plans may change slightly as the applicant goes through the tax credit process. Last Year's Tax Credit application was submitted in March 2018, and was scored high enough to get an award, but because of rules and other requirements, ended up getting knocked out of the running. The corporation is hopeful for an award with an application submitted again in March 2019. This is the exact same project as was submitted in 2018. The only change is the rents have increased a little bit from those discussed one year ago.

The project location is where Elam dead ends at Larabee Street. Seaside Lodge will split Phase 4 of the Chesapeake Bay Master Planned Community, and will be located on the right 4.2 acres. The main building, built with stone and hardi plank and 100% exterior masonry (no exposed wood), will be a three story elevator served building for 55 yrs and older seniors. There will be a two story amenity center and club room. Highland Manor in La Marque, built in 2010, is an example of the look and the quality of the Mark-Dana Corporation projects. Seaside Lodge will have 92 accessible living units with two elevators, a swimming pool, and club room with kitchen and TV, a conference room, laundry facilities, a fitness room and a fully equipped business center. Tenants will be provided services such as financial management and educational classes, which is

a requirement under the tax credit program. Living units will be energy efficient with laundry connections, carpeting in bedrooms, smoke detectors, and hard grade vinyl plank in common areas, wired for phone-cable-data, 9 ft. ceilings, and tile in bathrooms. Similar projects bring about \$578,000 in taxes and other revenue for local governments with 184 jobs.

Tax credit program is a way to finance the project with 9% tax credit. The tax credit program requires architecture plans, elevations, floor plans, and environmental review. The award will be for this specific project. Once a developer receives a tax credit award, he is committed to what is in the application. It will be a senior project. January 9 is the deadline for submitting the pre-application. Input from elected officials is required (including a resolution of support). The tax credit award will not be given without the resolution of support. The timeline for 2019 is exactly the same as 2018. Pre-application is filed in January. Full application is filed in March. Public comment hearings are in April. The award will be end of July. Typically the state is divided into regions, made up of 13 counties in Region 6, and out of that region there are 50-60 pre-applications submitted and there is enough funds for only 8-10 projects. Mark Dana is optimistic about getting an award this time.

The tax credit program was signed into law by Ronald Reagan, and it is not a HUD program. It's a public-private partnership. Tax credits are awarded to a specific development and then sold to a large financial institution. The developer takes about 70% funding from the large financial institution, then the rest of the development cost is financed with traditional, conventional bank financing. In turn, for the purchase of the tax credits, the developer agrees to restrict the rents and to not rent to people of certain income levels. Really low income people will not qualify. It's really a mid-income level project. Because the project has only 30% debt, the same building can be built, but rented for a lot less.

The Area Median Family Income (AMFI) for Harris County is approximately \$71,500.

60% AMFI = \$42,900

50% AMFI = \$35,750

40% of the units will make up 50% AMFI or less

50% of the units will make up 60% AMFI

10% of the units will make up 30% AMFI

Rent limits are determined by formula assuming that a tenant should not spend more than 30% of his/her income.

*Gross rent includes an estimated utility allowance of \$110 for 1 BR and \$149 for 2BR.

Application has the net rents in it. Renters will be responsible for paying their own electric, water, sewer.

89 Long-term compliance is required by TDHCD and management must screen tenants for
90 actual ability to pay rent. Annual file audits and periodic site inspections will continue for up to
91 35 years.

92
93 Tenant Screening:

- 94 • Full criminal background checks
- 95 • Credit checks
- 96 • Must be employed or show source of income
- 97 • Work verification is re-certified every year
- 98 • Must make 2.5 times the rent in income to qualify
- 99 • Zero tolerance policy for criminal activity

100
101 Mr. Kugler continued by stated that Mark-Dana is here for the long term. The property
102 will not be sold in 2-5 years. It is available to sell to another tax incentive type owner, but Mark-
103 Dana Corporation has never sold a property. If a tax credit project is sold, the buyer has to comply
104 with all the rules. All tax credit projects enter into a land use restriction agreement with TDHCA,
105 and that agreement gets filed with the deed records.

106
107 Mark-Dana Corporation is a family owned company, started by applicant's parents in
108 Virginia. Applicant went to law school, then worked at a law firm in Houston for 19 years at
109 corporate/finance work. Both parents turned 90 this year and are still active in the business.
110 Company owned by sister, father, mother, and applicant. When Applicant joined the company,
111 Mark-Dana started developing in Texas. The corporation has about the same number of units in
112 both states and is active in both states.

113
114 The first development was Highland Manor in La Marque, and the architect, Martin Casey,
115 designed Chesapeake Bay.

116
117 Mark-Dana Corporation also has properties in Spring, Magnolia, Pasadena, and Katy.

118
119 Occupancy rates are as close to 100% as can be, about 98%. The tenants tend to live out
120 their lives in our units, or sometimes leave because they need assisted living. Security at the
121 properties includes full perimeter fencing, gates that operate with a code or clicker, and cameras
122 in key areas. The management of the properties works closely with local police.

123
124 Marketing for tax credit properties is just like conventional for other properties. The term
125 "affordable housing" is not normally in the marketing pieces because sometimes tenants will
126 disqualify themselves, even when they might be qualified. The formula is complicated on the
127 qualification. It is an IRS program and the IRS has rules. As long as the income flow is less than
128 the income maximum, the person qualifies to live there. People have to fill out an application
129 before they know for sure if they are over income. Marketing is for high quality housing, and the
130 leasing agent will determine the qualification. It works out well with Chesapeake.

131

Because of the aging population in an over 55 project, overtaxing EMS might be a concern; however, there have been no issues at other senior properties and no one has complained. Tenants are generally from the community where the property is located.

Completion of construction would be in 18 months. The schedule will be for 12 months, with the plan to build in less time; however, other factors could play a role, like the weather/rain delays. In addition, apartment building in this area has not slowed down, so there's a huge demand for construction workers. The tax credit program allows for pre-leasing because the tenants have to go through a qualification process that takes time, but the final qualification is only good for 90 days. On time construction completion is important.

2. PUBLIC COMMENTS AND ANNOUNCEMENTS - none

2.1 Mayor, City Council and/or members of the City staff may make announcements about City/community events. (Council)

Councilmember Klein announced the following upcoming events: Share Your Christmas; Main Street Tree Lighting; Santa Run; Christmas Boat Lane Parade; Ike Dike Coastal Barrier public meeting; City offices closed December 24 and 25. HCMCA December meeting at Lakewood Yacht Club promoting literacy.

3. BID AWARD AND REJECTION

3.1 Consider and take all appropriate action on a Bid Award to Caldwell County Chevrolet for the purchase of one (1) Chevrolet Silverado one (1) ton crew cab pickup truck, for use by the Public Works Department, in the amount of \$37,972.00, due for replacement from the General Enterprise Vehicle and Equipment Replacement Fund. (Craig)

Motion was made by Councilmember Klein and seconded by Councilmember Machol

To approve a Bid Award to Caldwell County Chevrolet for the purchase of one (1) Chevrolet Silverado one (1) ton crew cab pickup truck, for use by the Public Works Department, in the amount of \$37,972.00, due for replacement from the General Enterprise Vehicle and Equipment Replacement Fund.

MOTION CARRIED BY UNANIMOUS CONSENT

3.2 Consider and take all appropriate action on rejection of bids received from Caldwell County Chevrolet for the purchase of five (5) Chevrolet Silverado 1500 crew cab pickup trucks; one (1) Chevrolet Silverado 2500 HD crew cab pickup truck; one (1) Chevrolet Silverado C4500 crew cab pickup truck; and one (1) Chevrolet Silverado one (1) ton crew cab flatbed truck, due to only one (1) proposal received and lower pricing available through a cooperative purchase agreement. (Craig)

Motion was made by Mayor Pro Tem Picha and seconded by Councilmember Machol

To reject bids from Caldwell County Chevrolet that were above the lower cooperative purchasing pricing for five (5) Chevrolet Silverado 1500 crew cab pickup trucks; one (1) Chevrolet Silverado 2500 HD crew cab pickup truck; one (1) Chevrolet Silverado C4500 crew cab pickup truck; and one (1) Chevrolet Silverado one (1) ton crew cab flatbed truck.

MOTION CARRIED BY UNANIMOUS CONSENT

4. *CONSENT AGENDA*

4.1 Consider and take all appropriate action for the purchase of three (3) Ford F150 extended cab short bed pickup trucks; three (3) Ford F250 regular cab long bed pickup trucks; one (1) F450 60" CA DRW 940D 10' flatbed truck; and one (1) Ford F750 regular cab dump truck, for use by the Public Works Department, in the amount of \$290,061.00, due for replacement from the General Enterprise Vehicle and Equipment Replacement Fund. (Craig)

4.2 Approve the renewal of a one year Interlocal Agreement between the City of Seabrook and Harris County Flood Control District for implementation of the TCEQ and EPA required watershed protection program public education portion on the 5 year MS4 permit, in an amount not to exceed \$6,334.56. (Padgett)

4.3 Approve the minutes of the November 6, 2018 regular City Council meeting. (Hicks)

4.4 Approve the minutes of the November 20, 2018 regular City Council meeting. (Hicks)

Motion was made by Councilmember Hammann and seconded by Councilmember Machol

To approve the Consent Agenda as presented.

MOTION CARRIED BY UNANIMOUS CONSENT

5. *NEW BUSINESS*

5.1 Consider and take all appropriate action on a base rate adjustment for garbage and recycling collection pursuant to Section 9.01 of the Municipal Solid Waste Agreement between the City of Seabrook and Waste Management of Texas, Inc., to become effective January 1, 2019, and updated on the Master Fee Schedule at the annual update in September. (Cook)

Gayle Cook, City Manager, explained that this increase will be effective on the first billing cycle in January, on the residents' February bills and due in March. This is the CPI adjustment and fuel charge that was approved in the contract for an overall an increase of \$2.68 per resident on the monthly bill. There are no provisions in the agreement for unusual increases, so hopefully this increase will be the only one until January of next year (2020).

Motion was made by Mayor Pro Tem Picha and seconded by Councilmember Klein

To approve a base rate adjustment for garbage and recycling collection pursuant to Section 9.01 of the Municipal Solid Waste Agreement between the City of Seabrook and Waste Management of Texas, Inc., to become effective January 1, 2019, and updated on the Master Fee Schedule at the annual update in September.

MOTION CARRIED BY UNANIMOUS CONSENT

6.0 DISCUSSION ITEM

6.1 Discussion on nominations for appointment to the Charter Review Commission. (Kolupski)

Mayor Kolupski explained that it is time for Charter Review and a Charter Review Commission needs to be seated by the end of February. This is a six month appointment and finding applicants is difficult. To get a head start on finding applicants, each Council member needs to reach out to persons who will fit the requirements of this Commission and bring the name forward to Council for review. Every Council member's opinion needs to be heard on the requirements for appointment to the Charter Review Commission. In the past the appointments were with people that are familiar with the City. This is important. People are needed that have some knowledge of what goes on at the City. Council needs to bring nominees forward. Councilmembers should reach out to potential applicants and have them fill out an application.

Councilmembers expressed that it's a Commission that hits the ground running and moves fast and gets the review of the Charter completed in the six month time frame. The last Commission was a mix of people with and without experience. The last Commission made a list of everything recommended for amendment in the Charter and then prioritized that list. The Commission also put together a list for future charter review. Om 2010 the Commission met twice per month at first, and then once per week. It's a fantastic opportunity for people. Seabrook has a good charter.

7. ROUTINE BUSINESS

7.1 Approve the Action Items Checklist made a part of this agenda. (Cook)

TXDOT – Gayle Cook, City Manager, stated that there is no update on this project. Staff met with TXDOT and was hoping for an update. There is a mitigation area down from the bridge that might delay and the City is waiting to hear on that.

PROJECTS – Kevin Padgett, Director of Public Works, stated that some progress has been made on Todville. People will see some pipes sticking out of the ground which are necessary for future de-watering. Crews were able to move some of the cross pipes. The Old Seabrook Subdivision is moving along at a good pace. Staff is still working on underground utilities. The Old Seabrook parking lot is completed and available for use with nice lighting. Breakfast with Santa was a great event. It was very crowded and it went seamlessly. There were roughly 160

photos taken. The event was a great tribute to Lois Mohrhussen. Public Works has been preparing for the Tree Lighting Event all week and it looks like the weather will be good.

GRANT ADMINISTRATION – Jeff Galyean, Director of the Office of Emergency Management, stated that the process for reimbursement for Hurricane Ike is still moving forward and FEMA is closing out projects, so hopefully all the numbers will come through and the City can close its file on Ike. There is still one project outstanding for Hurricane Harvey, which is the protective measures, overtime pay. The City is still waiting on a determination memo from FEMA to find out how FEMA will pay out for protective measures. All other Harvey project reimbursements have been paid. All items paid through TML insurance have been received and closed. For the Waste Water Treatment Plant, staff has received an email from David Jackson and he is waiting on a response from FEMA on a letter he wrote. He's hoping to hear back from FEMA by December 14. Moving forward on that project, the City is in a bind because construction needs to start, but once started, the eligibility for the grant is removed. There are other avenues the City can look at for future disasters, which is demolition and removal through a grant; however, a grant for demolition is good for only 90 days and construction/relocation is not feasible in that time frame. Council and staff need to further discuss this matter. Mr. Jackson has met with other funding sources, as he discussed in the last conference call, but nothing has come together. Unfortunately, many funding/grant opportunities are not available for entities in Harris County. Harris County is typically directly funded and the County decides the allocation. Mayor Kolupski stated that Harris County has a new judge, so it will not hurt to reach out to her and ask for the County's assistance.

Motion was made by Councilmember Davis and seconded by Councilmember Machol

To approve the Action Items Checklist.

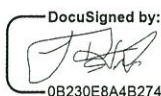
MOTION CARRIED BY UNANIMOUS CONSENT

7.2 Establish future meeting dates and agenda items. (Council)

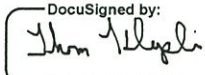
There will not be a meeting on January 1. The next City Council meeting will be January 15, 2019 at 7:00pm.

Upon motion duly made and seconded, Mayor Kolupski adjourned the meeting at 7:58 p.m.

Approved this 15th day of January 2019.

DocuSigned by:

0B230E8A4B274CD...



DocuSigned by:

94F424767CFF419...

Thomas G. Kolupski
Mayor

311 Robin Hicks, TRMC
312 City Secretary