

Closed Caption Log, Council Work Session, 03/06/12

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[08:56:10]

good morning.

I'm austin mayor lee leffingwell.

A quorum is present, so we'll call this austin city council work session to order on tuesday, march 6, 2012 at 9:10 a.m.

We're meeting in the boards and commissions room, austin city hall, 301 west 2nd street, austin, texas.

So the first item on our agenda is an executive session discussion 2.

We'll just go into executive session, without objection to take up one item pursuant 071 of the government code, city council will consult with legal counsel regarding the 1, discuss legal issues related to the november 6, 2012 charter amendment election.

Is there any objection to going into executive session?

Hearing none, the council will now go into executive session.

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>> Mayor Leffingwell: We're out of closed session.

In closed session we took up legal issues related item a1.

So we're scheduled for a briefing, item d1, jail bond briefing.

>> Good morning, mayor, council, betsy spencer, neighborhood housing and community developing and the austin housing and finance corporation.

This morning, we wanted to take a little bit of time to brief you on the process this past year with our application process for funding for the rental housing development assistance and acquisition and development programs, the bulk of which is geobond funds.

We want to give you an update.

We'll be bringing forward several items thursday, so we thought it was a good chance to bring everyone up to speed.

Today, the objective is to give you an update on \$55 million bonds of the go bonds for affordable housing.

Once we commit these funds, we will have spent all of the money and present an overview of the projects we'll be presenting for funding.

This past year, we had 7 million available in general obligation bond funds and a little over \$2 million combined funds of federal and local dollars.

We received 21 applications for funding since october 1, and those requests were just a little over \$22 million of money.

To date, as you know, the go bonds were authorized in 2006, and there was \$55 million to substantially increase the city's ability to further affordable housing by providing programs and ownership, rental and home repair, a lot of housing afford ability to populations and half have been west of 35 and half east.

Naturally, that's not the only definition of geographic dispersion, but we felt it important you realize that.

To date the funds have rev raged over \$175 million of private or other public funds and created roughly 1400 jobs.

So all of those things we see as success for the program.

The go bond update chart that you see just shows you the breakdown of what has been funded up till now.

A little over \$37 million have gone to a variety of rental housing projects, creating 1462 units.

The average per-unit cost of all of those is \$25,650, roughly.

The homeownership has been about 5 million, creating 780 units, and that average per unit investment is \$14,744, with an overall average of about \$21,800 a door, which actually is a pretty good investment for affordable housing.

A little bit about the evaluation process.

This is an application process.

So it's not an rfp, not an rfq, it is an application process, in my opinion, similar to a loan application process.

So, with that, we have with us david potter, who was our single point of contact in the organization, and, so, all of the applications are submitted to david potter through our process.

We have a feasibility analysis and underwriting risk analysis process.

Many have seen our applications, so there is a threshold for all of the april cases that's a combination of the project feasibility, council priorities, leveraging, cost per unit, readiness of the process and applicant to begin the report, so those are scored in the application.

We utilize managers in the department to go through a consensus-scoring process.

So the first objective is to determine whether or not the applicant meets threshold.

For a homeownership project, threshold is 100 opponents 100 points, for renting housing application, 50 points.

So we make sure they meet threshold.

Then the group gets together and evaluates the answers and applications and does a consensus-scoring process.

All the applicants self-score, so in the application, there's a civil-scoring tool.

So the process is to determine if the self-score and the actual score are the same.

In some instance, they're the same and some not.

From that, we determine the final scores are created.

In addition to the factors that are on the actual application, we also look at the applicant's current workload.

Some applicants turned in five or six different applications.

It's not likely that an organization will be able to do all of that work at once.

Transformative impact to a neighborhood, so if the pending application could have a significant impact to a neighborhood.

Other projects that they have received funding for but, if they've not been able to complete those, that's something we take a look at.

And then their ability to repay.

It's not always an requirement.

We look at requirements, like leveraging, if they have the ability to repay some of the funds.

So those are things we look at when we evaluate the application.

It's a consensus-scoring process and they all have to meet thresholds.

After that occurs, for the projects that have general obligation bond funding in them, those are reviewed by the housing bond review committee, a group set up when we got the allocation after 2006.

To make sure that a applications and their scoring is sufficient.

>> David bot r potter, housing development manager.

And the housing bond review committee is the second set of eyes that will concur that they agree with the way staff stored scoredit, according to the guidelines.

>> THAT OCCURRED FEBRUARY 6th.

Today, we're here before you just to describe the applications.

On the thursday, we'll bring forward four of the eight applications we are recommending.

There is a total of eight applications coming forward as of this year as of right now.

Four will come on thursday.

There are two that, because the amount requested is under \$300,000, doesn't require board approval.

We wanted you to see the applications, but the finance corporation has the authority to execute those.

There are two that are -- i apologize.

One is in the process but isn't ready to come forward this week.

They recently received an allocation from the state for nsp funds, so they need a little bit more time.

And then there's one application that actually is an applicant for the low income housing tax credit process.

They won't receive their final word from the state till late july or august, so we are holder off on a final recommendation, should they not receive their tax credits and should they not have

alternative financing, we would not be recommending them for funding and money would be available for other folks.

So instead of acting on it now and having to retract it, we're waiting till august to make that recommendation.

And the last slide is showing you, you should have had an attachment in front of you, summary of recommended scoring projects and scoring criteria.

There is applications that will be coming through the next couple of months.

67 Units of permit-supported housing in the application.

6 ownerships.

Two rerntship applications, six renter applications, and we are available for questions.

>> Mayor Leffingwell: Questions?

Mike?

>> Martinez: Just wanted clarification on the slides.

Is the housing units a blend of rental and ownership.

>> They're all rental.

>> Martinez: 67 Of the 250 affordable would be permanent supported housing in that one project.

>> That's correct.

>> Martinez: What does that do for the goal of permanent supported housing?

>> 350 In four years.

Last year we funded 64 and this year there's 67.

>> So we're hitting 125, 130?

>> That's correct.

>> Martinez: And three more years to achieve the other 250.

>> About two and a half, yes, sir.

>> Martinez: Thanks.

Thanks, mayor.

>> Mayor Leffingwell: Chris.

>> Riley: Do you expect reel be able to hit the goal of 350 units in the next couple of years?

>> Absolutely.

>> Riley: And do we have any -- now that we're approaching the end of the bond cycle, can we look back at the projects that have been funded with that \$55 million and get a breakdown of the types of housing that itupported in terms of the percentage of any family income served by those units?

Like, for instance, would we be

[10:58:00]

able to know how much of that money went to rental versus homeownership and what parts of the income spectrum did we have?

>> If you look at the slide go bond update, it has some of that information on it.

The slides, I apologize, are not numbered.

This particular one shows you the difference between rental housing and homeownership to date.

It's -- and it also shows the very low income would be individuals 30% and below.

So the majority of the rental units actually have been for very low-income individuals.

Then the next one is the workforce housing.

So it breaks down by some of the populations.

We can certainly get you a more detailed -- if you'd like it by project, we can provide that by project the number of income units that are different income levels, if you like.

>> Riley: I was going to point out, there was a mental health initiative a few years back, and we were able to fund two developments with austin, twavs travis county, that was 61 units, and i believe those folks are 0% to 30% nfi income.

Austin shelter, children moved from the home, won't have income, and person with mobility disabilities, the particular projects we've funded there are for folks at 50% nfi and below, but,

typically, anecdotally, from the organizations that lease these units, the occupants are typically, like, at 13% to 15% of median family income, which is really, really low.

So it would be about \$7,000 to \$8,000 a year.

Basically, somebody on ssi, for example.

>> And just looking at the numbers on the -- now, the slide that you referenced does not include anything about the projects that they will be considering on thursday, right?

>> No, correct.

>> All up until what we were going to recommend thursday.

>> Riley: Right.

And based on these numbers, appears, up till now, close to 77% of the bond funds that we've spent have gone towards rental.

>> That's correct.

>> Riley: And do you expect that that would be shifted as a result of the projects we're considering on thursday?

>> I don't believe so.

I believe, when I looked at this previously, from what I've noticed over the last couple of years, it has historically split out at about 25/75.

>> Riley: About 25/75.

>> Yes.

>> Riley: And as we look and see thousand those funds have been spent, what would you suggest as a reference point in terms of expectations about the expenditure of these funds in i know there was discussion about covering the whole economic spectrum, were there expectations about a particular percentage breakdown in terms of rental versus homeownership or anything else?

>> This year?

>> Riley: No, for the 2006 program.

Were we aiming for a particular percentage on bond rental versus homeownership?

>> It's my understanding that members of the community that worked initially to secure or advocate for the bonds, there was version about a 40/60 split, but the actual election language did not mandate or accommodate that, so we have -- often, much of it is just the applications we get.

So there are significantly more rental applications and probably two years ago was where the big swing occurred when there was three rental applications when we had the moratorium and all the money went to the rental projects.

The homeownership projects take longer.

A lot were doing land acquisition or infrastructure, so, oftentimes, when we're financing those, the homeownership, we don't realize the units for several years.

So in that, the rental tends to move faster, and we receive more applications.

>> Riley: And if I could, the housing market certainly had an effect on the number of ownership applications we had walking in the door, which was almost zero for a long time, and with the command of rental housing increasing, that's where the funds tended to go -- or the more applications we've gotten.

>> As I recall, there was some type of market study before the 2006 election which sought to indicate that levels of need for -- for different types of affordable housing, isn't that right?

>> Mm-hmm.

>> Riley: I didn't see that as part of this presentation, just in terms of how we did at hittings the need out there.

Is there anything you can tell us about what that market study said and point it out in terms of what the need that's out there and how we did in terms of meeting that need?

>> I'd like to take just a moment there.

In 2009, our most recent data with the housing market study reflects a gap of about 39,000 units necessary to address the need for market rates at 30% and below.

So roughly a little under \$500 a month.

I think, with what we're seeing with predominantly much of the money going toward funding, rental opportunities at that 50% and below and 30% and below, i think we can see some alliance with the need of the community and where these funds have been spent.

>> Riley: Okay.

Is that the latest market study we have?

>> Yes, sir.

>> Riley: From 2009?

>> Yes.

We typically will do market studies with our plan and every five years we go out and do a very comprehensive look at data across the spectrum of housing needs, to that would be coming up the end of 2014.

>> Riley: So at what point does -- is there some judgment about which projects to fund based on the market study?

I mean, I assume, in making decisions about which projects to fund, we would want to have some idea of the need that's out there, which suggests you'd want to be looking at something like the market study in evaluating these things.

Is that judgment made in the course of your work, reviewing these projects, or is that something that council would do in terms of reviewing the projects -- that set of projects we're faced with on thursday?

At what point is that assessment made?

>> I think it's done in a number of weighs.

Council weighed in at that policy level with permanent housing and prioritizing permanent housing based on the analysis for the studies that were done.

We certainly do tap that data and the assessment in our action plan each year when we go out.

We're still looking at that need and, so, as we decide what the investment is across the spectrum, we'll look at that data and determine, say, for example, tenant-based rental assistance and different programs and the amount we're investing within each program, that needs assessment is definitely weighed heavily with the market data availability.

>> I'd like to add, typically, we will tweak our program guidelines, maybe our scoring, once a year to coincide with the action plan that would begin october 1, so we make those kinds of adjustments at that time.

And, also, we receive stakeholder input, of course, in formulating our scoring criteria and guidelines.

>> If we can give you an example.

With our downpayment assistance, what the market trend is responsive to how we are flexible with our programs.

We can talk a little bit about downpayment assistance, but the market, basically, as it fluctuates, does often have a factor or is weighted in terms of what we are allocating to each program on an annual basis.

Does that answer your question?

I think there is a lot of ways we can answer your question, so I want to be sure we're --

>> can you put up a slide for the hfc evaluation process?

It's not numbered, but -- from the one before that one.

Okay.

>> Okey-doke.

>> Riley: Now, when I look at the application score, I'm trying to see where on the application score would reflect some assessment about the need identified in the market study, which of those bullet points would address that?

>> I wouldn't say any one of those specifically address just that one.

Some of the things we also take the continuum of housing.

We work with cham and the choto to achieve homeownership opportunities for folks at 80% and below.

So the market study is one factor in which we had information at a point in time which is right when, actually, the housing market was crashing, because the very next year, the downpayment assistance request -- the year before, we had a lot of downpayment assistance.

When the market contracted, lenders were no longer underwriting single family mortgaging.

The assistance became minimal.

We moved money to put it into the wendle where the market does indicate that the very low income units is a high need, but there is still, in working with all the organizations, the desire to make sure that we fund projects that the whole continuum, not just psh or very low-income rental.

We want to make sure we're providing equity to all the providers and all affordable housing options.

So we look at the continuum, the core values, long-term affordable, deep affordability, geographic dispersion.

There are many different things we take a look at.

That's one of the reasons I think -- because it's also real estate, an RFP type process where it is specifically just about points is a little -- is a bit challenging because there are many different factors.

There can be new direction from council.

Psh is relatively new, so we try to factor that in, so we're trying to keep our application current, we're trying to keep our application broad enough to where Wick, as new initiatives or projects come along, country restrict us.

We have had conversations with the CHOTO and housing repairing coalition, there have been suggestions for a 20-year plan for how many units we would do in each category.

I don't have a problem planning.

What I think is awkward about that is, just as in homeownership, several years ago, people were telling houses like hotcakes.

The market fell out and you couldn't underwrite a loan.

So if we make a plan so rigid the next 20 years that we can't accommodate for changes in the real estate market, cost of land and development, then I think we're cutting ourselves short.

So I think it's great to have a long-term plan, we just want to keep the flexibility to make sure that we can keep up with the current market.

I don't know that that answers any of your questions, but we take a lot of things into consideration.

>> Mayor Leffingwell: Kathy.

>> Tovo: A couple of quick questions.

Of the projects we're considering Thursday, do you have information on bedroom count on rental housing or ownership?

>> What was the question?

>> Tovo: Have been tracking bedroom count?

>> Yes, absolutely, the applications have the bedroom mix.

Would you like us to send that to you?

>> Tovo: Sure.

That would be great, thanks.

>> Sr will be one room.

The conned yon I minimummums a mix of one or two bathrooms.

>> Tovo: Where's the iv conned condominiums?

>> Down the line.

>> Ten units with persons with low-income disabilities and i can't tell you how many ones and how many twos.

>> We can get you that.

>> Tovo: I know there was a concern to make sure there was a spot.

>> The springs commons, phase 3.

Green doors on sweeny circle will buy three more four-plexes, and those will be two and three bathrooms.

They'll pretty much almost own the entire street.

That's been a very successful project.

Life works, the works at pleasant valley, that is going to be efficiency, one, two and three bathrooms.

Bedrooms.

The common springs, common phase 2 is one and two bedrooms, an apartment complex, as opposed to the four-plexes they purchased.

The song high development will HAVE A MIX OF ONE, TWOS AND Probably a few threes.

And the ownership ones will be two and three bedrooms.

>> Tovo: So sounds like, on this round, a lot of rental opportunities really aren't aimed at families.

You are targeting other important groups, but the song high is mostly one or two bedrooms, just a few threes?

We can take it up again thursday.

>> Yes, ma'am, that is what he said.

But sounds like you want the detail prior to thursday on each.

>> Tovo: That would be great.

>> I can absolutely provide that.

>> Tovo: It's probably obvious I'm just trying to measure how well we're meeting the needs of families in affordable housing well, and I understand there are a lot of challenges, you're trying to come up with a good balance for the tens of thousands of people who need lower-cost housing.

So thanks.

>> Mayor Leffingwell: Laura.

>> Morrison: Thanks for the presentation and all your work.

On the recommendations, did i hear you mention that 67 permanent housing are within these recommendations?

I didn't catch all of them, because I see there is 10 in the life works projects and 11 in the second green doors.

Can you tell me where the other ones are?

>> Yes.

>> Morrison: While he's digging around for that, I want you to know we anticipate kind of the detailed questions not just from council but from our community members and, so, from the onset, we did post a very detailed spreadsheet online so anyone who's had these questions will have the information.

>> Foundation communities, it's called capital studios, single-room occupancy downtown, will have 24psh units.

Pecan springs commons 2 has 11.

Pecan springs commons phase 3 will have 12.

Pleasant valley 10.

The ib condos, all ten of those will be permanent supportive housing.

So essentially every rental that we have, except for song high, we have permanent supportive housing.

>> That's great.

So it's really being spread around which I think is certainly a good approach to take.

And then song high at west gate, is that -- are they the only for-profits that are on here or are they nonprofit?

>> They are the only for-profit.

>> Morrison: And how do you -- what's our mix in terms of funding for profit versus nonprofit?

Does that come into play when you're evaluating applications at all?

>> Not really.

It's really based on the proposal and the structure of the deal.

So --

>> Morrison: Okay.

A couple of other questions.

You mentioned that half the projects were west of i-35 up till now of what we've funded.

I wonder if you might also be able to -- not right this minute -- but provide for us a little more breakdown, so it's half the projects but not necessarily half the units.

So if we could get the number -- the spread of the number of the units, the spread of the money, east and west of i-35, and then, also, I'm curious about, like, average dollars per unit that we're investing.

>> I can tell you that.

It's approximately 21,000 covering ownership and rental.

And one of our wonderful lbj school interns prepared for us -- he surveyed different communities throughout the country to get their average cost per unit, and austin fell almost right in the middle at 21,000 a unit.

>> But you'd like the split east and west?

>> Morrison: Yeah, I'm very interested in that because one of the issues is, oh, is it going to be so much more expensive?

If it is, we're committed to dispersing it, then we need to understand that and make the commitment.

But I think that will be interesting information.

And then speaking of which, there are two things that we're working on and I really would appreciate the department's eph on the citing policies and the good neighbor program, so could you give us just a brief overview on the status of the work on the citing policies?

And this was to come up with some proactive approaches to figuring out how we'll really assure disbursement across the city.

>> Let me give you a frame of what that means.

As we all know, we use the institute opportunity map to assist in dispersing affordable housing throughout the community and this is basically a way to determine what high opportunities are.

That is tied in with our scoring and it has proven helpful in geographic dispersion, but a resolution that came to us from you all recently pressed that research and asked us to scan the environment across the country and look for how other communities do do that.

So we have started that.

We actually -- we've moved that forward to cdc and we are requesting a working group be created.

There is been a great deal of interest by individuals and we anticipate, tuesday, that that working group will be underway.

We have, however, done the research and, so, where we will be working with the group is really testing the feasibility as it relates to what can be easily applied and practiced in this community.

So we'll be reporting back to the comprehensive planning and transportation committee the first week in april, and then we have integrated that conversation in with our action plan process.

And what that basically means is we will take two to three months to talk to the community and really delve in and look at the ways that these practices could impact how we do business in austin.

So that is actually perfectly aligned with the action plan process and then, in june, we would be bringing forward a policy chapter in our action plan that details not only what the research is but how the community responded.

>> Morrison: That's great.

Doing this carefully is really important, because there are going to be consequences that we really need to think through, but it's a value that I think that will be great to move forward on.

Then the other is the good neighbor program, and I know that, as I understand it, for all the applications coming in for this round or for the next round, there is sort of a good neighbor commitment that's required.

Required.

>> That's correct.

We ask each applicant to provide their -- what do we call it -- community engagement strategy as a threshold item.

It was no longer a scoring item.

It's now threshold, so -- -- >> and this is ensuring we have well-defined expectation about engagement with the community so that, from both perspectives, there can be productive dialogue.

When I visited the home repair coalition recently, there was some concern about making that a threshold item, with the suggestion that people that have been doing it all along in good faith had now lost that -- i don't know what the word is -- advantage.

I see some of those programs, though, on this sheet, so has there been any more conversation on that?

>> I think what you're referencing is we used to apply 4, the community engagement component, a letter of support, recognizing that the good neighbor policy was moving forward and we moved it to a threshold item.

We did remove the ten points from our scoring criteria.

We had conversations particularly with the choto round table about that and we are listening often to how our scoring criteria has any implications and infringing upon a deal to be able to move forward.

We have not had a situation where, but for without those ten points, we could not make it work, but we recognize those could be unintended consequences.

As you point out, anytime you do one thing, it could lend to something else.

So I'm not sure that answers your question, but we have yet to have a situation.

Since you will be able to rewind and watch this, and some people may want to challenge that, it is not that we are saying that folks have not had an opportunity to come and have technical assistance and because they were not able to get that ten points, is there something else they could do to make up the points.

What we've seen is, in several cases, we did have to increase technical assistance and we were able to get better cost per unit, additional affordable housing, better leveraging.

So in many ways, we would say it has refined and been a benefit to the process.

>> Morrison: Well, that's good news.

But I appreciate you keeping your eyes open for those kinds of things because that's certainly not the intention.

It's so really move us forward, we don't want it to move us backwards.

>> Correct.

>> Morrison: Thank you.

>> Mayor Leffingwell: Bill.

>> Spelman: Briefly, rebecca, you mentioned what others have done, research on affordable housing, and started a process that are will come back to us with a proposal.

I wondered if there is a way you can briefly describe about the research, a headsup of what we'll be hearing about in a couple of months.

>> One of the things we found that's interesting is there is three different categories where we have been able to do the initial environmental scan and lump that learn into three core categories, a capacity, strategic and goal-based approaches.

So, for example, in a strategic approach, we've seen communities THAT VERY MUCH UTILIZE RFPs TO Strategically invest funding in particular areas, like high transit corridors and things of that nature.

In looking at the research, we found our mechanism currently is very strategic, and that's been brought out by a number of stakeholders where you see policies and different practices that have been attached to scoring and it has, in fact, in looking at the research, it's been identified as strategic.

Some of the conversations we're beginning to have is could bit more strategic to have the outcomes that we potentially aren't getting.

And, so, then, the capacity-based approach is looking at communities that basically have identified through some formula that they will not invest in additional affordable housing at the block group level, for example, in Seattle.

I'll be careful how I articulate this because I don't have my notes.

But if there is, at a block group level, more than 20% of the subsidized housing at 30% and below, they have identified that as an area that is potentially saturated -- my word -- and they would rechannel affordable housing investment to another area.

So that's been shown in the research.

And then goal-based is done in a different way throughout communities but can be by zip code, it can be by census track.

I think a lot of the folks are having this conversation in the community that have been involved in imagine Austin, and, so, where we are going to be bringing forward information is what are the pros and cons in each, what are feasible practices in terms of how we could actually measure our success by each category, and that's kind of where we're at in our research now.

>> Spelman: So you haven't made a recommendation to any group, you're just providing them information and letting them talk about it?

>> The first report back to you all will be very research and academic-driven.

What we would like is to see more of the recommendations coming forward in the action plan after the communities weighed in.

We've had great conversations with the communications office and how we can get a little bit more creative to actually test some of these methods.

So in talking to Doug Shop, we're looking at Skypeing in experts around the country that actually put these practices to tests and looking at unintended consequences, can they work, have they been measured and the lessons learned on the ground at these strategic approaches.

We'll invite you.

>> Spelman: I don't have to ask for an invitation.

[Laughter] secondly, if you could send along a memo or something briefing the research, I'd like to take a look at it.

>> Yes, the resolution indicates we are to report back to you MARCH 27th.

Y'all have gotten very good about giving us dates now.

I think that's a council member morrison tactic.

You will have the memorandum and the presentation will follow about a week after.

>> Spelman: Thank you very much.

>> Mayor Leffingwell: Did you create a new verb, skypeing in?

>> I think I may have.

>> Mayor Leffingwell: Sign of the times.

Thank you.

All right.

So any items for discussion from the council?

Kathy?

>> Tovo: I have a few quick ones.

Are the muds going forward this week?

The muds?

66-74, Or are they postponed again this week?

>> Mayor Leffingwell: As far as I know.

They are going forward.

>> Tovo: I wonder if someone could help me understand the difference between 39 and 40 and then 66 to 74.

39 And 40 talk about strategic partnership memos.

We're setting public hearings regarding proposed strategic partnership agreements between the city and the municipal utility districts, and on 66-74, we are conducting a hearing and potentially approving an ordinance adopting a consent agreement on the same issue.

>> We'll see if there is somebody here to talk about that.

That.

>> Tovo: Thanks.

>> Mayor Leffingwell: And remember, council, for future reference, we can guarantee staff coverage if you ask ahead of time or say ahead of time you want to discuss this item.

>> Tovo: Right.

>> My name is virginia collier at the planning and development review department.

The two items to set public hearings will be necessary if council goes forward with consent agreements for the public hearing items.

>> Tovo: So if 66 through 74 are approved with a consent agreement, then we would set the public hearing for the strategic partnership agreements?

>> Right, as a condition of the city's consent to cede the muds, we would want to enter into a strategic partnership agreements but that requires two meetings.

>> Tovo: What is the strategic partnership agreement?

>> It sets up future annexation for the month and the creation of the district after full annexation.

>> Tovo: So it doesn't set out the terms of the municipal utility district, that's always in the consent agreement?

>> Right.

>> Tovo: Thanks.

I guess we'll get an update thursday about -- well, anyway, we're in communication about that.

Thanks.

>> Mayor Leffingwell: Okay.

Anything else?

Laura?

>> Morrison: Thank you.

Just to go back to giving warning to staff, one thing i was thinking is, when we go into executive session, maybe we could get a warning of where our questions will focus on.

Just a couple of things.

Number 2 is about the westlake waste water.

Is that going to be postponed?

>> Mayor Leffingwell: My understanding is that will be postponed by statute.

>> Morrison: Do we have a postponement date?

>> Mayor Leffingwell: I don't know of one right now.

Maybe staff does.

I know it's at the request of --

>> they requested to postpone all the way till may, so I think we'll withdraw and put it back on when it's ready.

>> Morrison: Thank you.

I notice we have a guest from the austin history center here and an item related to the august tin history center, to i just wanted to ask -- to invite you up and there's an exciting project going on in terms of a couple of histories of a couple of neighborhoods in the city of austin that are being written and I wonder if you might introduce yourself and talk about why we're talking about the history center.

>> Sure.

My name is mike miller with the austin history center.

I think I've met most of you, already.

A couple of years ago, I had a chance meeting with a publisher of a small regional publisher called arcadia press, and they publish local and regional history photobooks, and they were very interested in getting into the austin market to do austin histories.

As photo-intensive books, they were looking for places that had large photo collections, such as the history center.

The project that we're working on, we actually have three book proposals going on.

The books are ready, they're just waiting on us to sign the agreements and supply the images.

One book is on the pemberton heights neighborhood, one on rosewood and a book I'm working on with my counterpart in dallas on lost austin, a book on buildings and events and people who were iconic austin who are no longer with us.

The purpose of the agreement is, traditionally, in a publishing mode, the authors of the books are responsible for securing the rights and purchasing any illustrations for their books, and

traditionally, when we've supplied images to authors, it's been one to maybe six, and the authors could generally afford to do that.

When you're doing a more intensive book, they're wanting images from us at \$30 per pop, it's not John Grisham trying to make a million a book, they're passionate neighborhood people wanting to celebrate the community.

So this is an agreement that's been done in other cities as well as a way to -- in lieu of paying the fees up front, which would be prohibitive, is we enter into a royalty agreement and take a share of the author's royalties, we being the city.

And, so, over the lifetime of these books, the city will receive a royalty revenue on these books in exchange for paying the fees up front.

Real excited.

It's a great way to get Austin history out there and a great way to position the Austin History Center as an authority on Austin's history.

>> I'm very excited about it and appreciate you working with them to make that happen.

I happened to be talking with Jane Rivera and she and Governor Rivera, the authors of the Rosewood, so we have to let us know when you will do celebration to have the printing and publishing.

Do you know, is Arcadia thinking about doing other neighborhoods?

>> The way it works is an author would have to, you know, approach them and do a traditional book proposal.

I don't know of other neighborhoods.

I think that some of the folks were working on the Travis Heights historic district research are considering, you know -- because they're doing all the research, already, so they already have the information.

The next book that I know that's being strongly considered is actually on parks, Austin parks, and I think it's headed by one of Council member Coal's staff members, Council member Gil, was waiting to see if we could get the agreements done.

He was letting us do the hard work so he could come on and do an easier agreement next time around.

>> Morrison: Wouldn't you know.

[Laughter] so it's not just neighborhoods, it's other concepts.

So if people has ideas, they can contact you and you can get them in touch with arcadia?

>> Yeah, I think it's their third best-selling titles, and they have thousands of titles, and surfing in san diego sold about 35,000 copies.

It's a book at surfing in san diego.

It's amazing the topics you can find.

>> Morrison: So there is no real limit to the creativity the people can use in finding the topics.

That's a fun thing to look at.

>> I'm glad to hear south austin isn't being left out.

They're on deck, so to speak.

>> Yes, hopefully, they'll come through.

>> Mayor Leffingwell: Kathy.

KATHIE.>> Tovo: A quick question on 34, longer questions on 15.

But I wanted to follow-up on some questions in the q&a that we provided and this is with regard to a topic that is on our agenda for citizens communications on thursday, and I submitted some questions to the q&a and I wanted to touch on those.

Is that -- I see some staff members from parks here.

Am I going to get the gong or can I move forward with that.

>> Mayor Leffingwell: Go ahead.

>> Tovo: Okay.

So I guess I'd like to get a sense of what's going on.

We have been contacted by -- well, somebody has signed up a a -- a member of this community signed up to speak on citizens communications on this issue and we did receive some materials yesterday about the durwood recreation center.

From the responses, sounds like the parks and recreation volunteer or staff member providing programming for those seniors retired -- if you could give us a sense of the program.

>> South austin activity center or neighborhood center also known as the durwood center is a health and human services owned and operated property.

The parks and recreation department through its conjugate meal program, to provide meals to seven separate sites, six of those are parks and recreation sites, and one site is the health and human services site, durwood or is south austin neig center.

So when we transitioned to working with meals-on-wheels, the deal was that the parks and recreation department would use \$182,000 of general fund money to provide for meals, and meals-on-wheels, as our partner, would fill the service gap, so they'd provide the rest of the money through a grant they were received so we should provide meals to all seven sites.

With that meant that any of the recreational activities that were occurring along with the congregant meal seats town there as well.

So in this case, durwood would absorb the costs and expenses of providing the light recreational activities that went with the meals.

>> Tovo: When did the transition happen?

>> April 2011.

>> Tovo: Okay.

Thanks.

>> And, so, health and human services had a volunteer that have been providing the light rec eyesle opportunities and that person resigned her position or has left -- is no longer interested in providing that service, and, so, in cooperation with health and human services, the parks and recreation department has been helping health and human services or we have been working as partners to find a replacement for that person.

They have interviewed, health and human services interviewed a couple of candidates and neither of which were of the appropriate skills, knowledge and ability to provide that, and, so, we're still actively looking for someone to replace that person to be able to continue to provide those activities.

>> Tovo: A volunteer or paid basis?

>> Volunteer basis.

>> Tovo: When did that person leave?

>> It's my understanding they left in february.

>> Tovo: What kind of outreach did you do with the community to let them know there would be some transition?

>> I didn't know that person was leaving and I can't answer that question.

If there's someone here from health and human services, maybe they might be able to.

>> Consultant with the austin director of health and human services.

The resignation of that particular individual was nothing we had planned.

Don't know what outreach we had done.

I can find out for you council member tovo.

Pt we are working hard to try to replace that capacity.

We are in the interim -- we actually for some years have been providing exercise program for seniors at the facility, i believe a jazzercise and richard simmons program they do, twice a week and will continue to do as part of the programming there.

>> Tovo: And I guess my other thought was have there been any discussions about relocating someone from other of the parks and recreation sites or from a parks and recreation site over there to provide that community with the kind of programming they --

>> there has been some consideration of that.

We looked at the budget and we can't afford that.

What I did do is invite those individuals.

That particular site is about 6 miles from the austin senior activity center, and I did invite them on a temporary basis to enjoy the activities that are happening until we could find an appropriate replacement, but the particular individual who is signed up for communications, i spoke with him personally and he's not interested in relocating even on a temporary basis.

>> Tovo: In looking through the material somebody brought by yesterday, you know, there are quite a few people, now, who have signed on and voiced their concerns, and I -- as they've explained in their letter, that is their community, they have been meeting there for a couple -- I don't know how long, but sounds like, you know, more than a year or two, so it would be kind of disruptive.

I think the one somebody described it as akin to relocating to another faith community after years of attending one and going in as a straight -- you know, they have a community there, so it's not a simple matter of just picking up and moving to a different recreation center.

>> I can appreciate that.

>> Tovo: There are mobility issues and others.

So I guess I'm more interested in whether you've pursued options of relocating a staff member from another -- another recreation site or another neighborhood center to this operationally, in 2010, it was reduced to eight sites and we were paying 400-some-odd thousand dollars to be able to provide meals.

And, so, what we were doing is we were actually paying not only for the meals themselves to be distributed, administered, cooked, but we were also paying for a staff member to provide the recreational experience or the recreational opportunity, and we were paying meals-on-wheels or a grant -- we were supplementing grant moneys to pay an outside entity to do that.

Since parks and recreation, by nature, provides activities, operationally, the decision was made that, instead of paying somebody to do that particular service, we would absorb that into our regular operations and have one of our existing staff members provide the services.

>> Tovo: When you say operationally, it wasn't part of the previous budget discussion?

>> No, it wasn't.

It was a cost -- it was a cost-savings measure, it was a fiscally responsible thing for the don't to do to not reallocate the funds being used to pay for that service if we can find the same way to provide the service at less money.

It was a fiscal decision.

>> Tovo: So that is continuing to be the situation of all of the other centers, but not this one, is that right?

So if you are attending the gus garcia recreation center or some of the others, you will continue to have programming, but if you attend this one, you won't.

>> Right, and the reason it's not continuing is not because parks or health and human services doesn't want to continue it, it's because the person resigned from her position, so we have to have an opportunity to find a new person to replace her and we're actively doing that tav tav that's great.

Are the other centers, though, do they have paid staff?

Do they also operate with only a volunteer or do they have paid staff?

>> In some cases, it's a picks cure.

In some it's a mixture.

At gus garcia, there is volunteered and paid staff.

Certain programs at gus garcia are run by volunteers, certain programs at gus garcia are implemented by paid staff, and it's that way throughout all the different recreation centers.

I could get you the exact number of programs that are -- I don't have that information off the top of my head.

But garcia is a mixture of both.

>> Is this one of the only centers that has only volunteer staff for programming needs?

>> To my knowledge.

>> Tovo: That's a different scenario than some of the other senior centers that they don't have a volunteer and paid staff for the programming part, only a volunteer staff.

>> I think the problem is that this is traditionally been a health and human service site.

What we need to do is sit down and talk about this is the only site, I believe, that is a health and human services site.

The rest are recreation centers.

What we need to do is sit down and talk about what are the services and needs to have the individuals coming to this particular facility and then how can we partner to provide the services one way or the other.

Kimberly has been working with stephanie hayden to try to address this, and they're looking at this holistically.

This is one of those odd situations where it's in a different facility that offers different services.

It's not a traditional recreation center.

We just need to sit down and say what is it that the community wants, what do they need, how do we address it.

I think they have been trying to and I think we'll expedite getting someone out there to help with the programming.

I think we had two people selected but the community didn't like them, so we're back to the drawing board.

>> As a stopgap measure, are there any opportunities for shifting at least on a temporary basis somebody from one of the other centers who has a mix of volunteer and paid staff?

I'm sure you're considering all those options but --

>> I think tell you kimberly and staff have been trying to figure out a way to do this.

I will tell you because everybody is particular about the people who work at those sites, they're very married to them.

So if we pull somebody from another site, we would probably create a problem there.

So what we need to do is be strategic in how we address this and make sure how we select someone is someone who would be supported by the community.

Working with carlos, I think we can figure this out and with stephanie get something working sooner than later.

>> Staff are very interested in making this happen.

We're trying to expedite this process and will continue the exercise program conducting with the health nurse at the durwood center.

>> Tovo: Thank you for your efforts.

>> More questions?

>> Tovo: No, that's it.

I hope you will let us know when the situation is resolved, because I think it is a real concern that the attendees at that center don't have the kind of programming they're used to it and it service a very important function.

>> Absolutely.

We would appreciate a copy.

>> Tovo: Thanks.

>> Don't leave.

I have a cup mofl questions.

>> Morrison: When we heard about this and first contacted you, I guess maybe in the middle of february, part of the crisis was that it had happened right away, a volunteer quit, and that raises the issue of whether it's appropriate for this program to be so susceptible because it was a volunteer to being yanked like that.

As council member tovo mentioned, we rely on it.

I'm concerned where we're relying on volunteers and don't HAVE PLAN Bs AND RESILIENCE IN Terms of the services we're providing.

>> I wanted to clarify this person did give us a resignation notice.

They gave us a two-week notice, so it wasn't an all of a sudden, it's just it's been a exactly leng for us to find someone to replace it.

I don't want you to feel they just one day didn't show up.

There was a respectfulness of both the individuals they served and a respectfulness of the staff, so they did give us a two-week notice.

The difficulty or the challenge has been in finding a replacement for that person.

>> At least for some to have the customers, they only found out about it as a next-day thing, and, obviously, that was really troubling.

So I'm looking forward to getting the information about where we are relying on, volunteers, because that's a whole different ball game.

And in talking with some folks in the community about this issue, another thing that came up was, oh, yeah, they cut back the children's program at the alamo rec center and is this -- are we cutting programs, generally, without any --

>> the alamo recreation center is actually scheduled to have a community engagement.

I WANT TO SAY APRIL 14th, TO Find out exactly what it is that that community is looking for.

The programs that were housed at alamo were moved over to the rosewood recreation center, based on the previous community engagement that we had about alamo not necessarily having all the amenities that a rosewood recreation center would have, and now we're actually hearing the opposite from what we found out last year at this particular time, and, so, we are hosting another community engagement.

I BELIEVE IT'S APRIL 14th, BUT I'll find out the exact date from the alamo community to say we thought we did what you asked and maybe we misinterpreted that.

What is it that you're looking for, and once we find that out, we'll be able to plan programs appropriately or accordingly.

But we thought we were doing what we had been asked because there had been concerned alamo is a smaller recreation center.

It's more like a house.

It doesn't have a gymnasium component, just an outdoor pavilion.

There was concern those children weren't getting the same experience the children at Rosewood were doing.

We thought we did the right thing but now we're hearing different, so we need to do another one to make sure we heard it correctly.

>> Morrison: Because I can imagine there are a lot of the kids in the neighborhood to be able to walk to a rec center, even though it has fewer amenities, provides a service they're just not going to get otherwise.

Okay.

Well, I guess you're just trying to keep at it, then.

>> We'll keep you posted.

I think Kimberly is exactly right.

And that's the other thing.

It's very cyclical.

One year it's this program and these are the needs and I think it just reiterates the fact that the community input meetings we're having, we're getting one set for a year and then we have to go back and reengage because there are people moving in, people moving out.

There is children that are growing up and needing other things.

I did want to mention, on the use of volunteers, I think it's a valid point and that's something we need to look at.

You know, would you rely a lot on volunteers in our department and I think health and human services does as well.

We'll have to address that as far as key components in services and volunteers.

We have strict guidelines when it comes to volunteers and their association with age groups, seniors, adults and youth, and we have some wonderful volunteers that have the skills we need in this particular situation.

You know, we'll have to address whether or not it's a paid position that we need, quite frankly, or a part-time position or temporary or seasonal, but we'll address the issue regarding volunteers and how that's used and make sure we have a dialogue with the director of health and human services.

>> Morrison: Kimberly, when you were talking about it used to be a big program we were paying \$800,000 for in terms of funding, at that point, did we have staff there running the actual activity programs, also?

>> Yeah, and it was at 20 separate sites, and when we decided in 2010 to reduce that program, those sites were absorbed.

The sites we were no longer covering were absorbed by Travis county.

So I don't want to give the impression we eliminated 20 sites.

Travis county absorbed that and we continued to contract with another entity to provide the recreational service, and, so, when I came on board and took a look at efficiencies, so I have to take the blame -- or the credit, one or the other.

I think they'll get the efficiencies.

I said, well, if that's what we're in the business to doing, we don't need to contract with someone else to do that.

>> So at some point, we went from someone doing the activity jobs to relying on a volunteer.

>> And/or our own staff, yeah.

>> We need to be cognizant of that.

Thank you.

>>>> Cole: Turner Roberts, item 13, we're paying for repairs.

Can you give us an update?

>> I can.

Veron is here.

In relation to the work public works is doing and also the work that's going to be handled for the repair of the existing Turner Roberts facility, and it's basically going through contract and land management and snbr and I think they're here to talk about that.

>> Cole: Do you want to give an update, Veronica?

>> I'm happy to answer questions about mbwa participation.

Von cars, director of sbr, this contract was found in good standing.

Chasco did not meet the goals but provided extended good faith effort, took necessary steps and went above and beyond by having a networking session for any interested subs on the project.

>> Good.

Phi other questions, colleagues?

Thank you, ladies.

This meeting of the --

>> Martinez: I have one more.

>> Cole: Council member martinez.

>> Martinez: Item 29 is a carry over from last week on the janitorial services for austin energy.

And I know we asked questions last week and I won't belabor that, but one of the things that I want to acknowledge this week that's different is you will notice, on each item, now, council members, we have the addition of mbwb participation back on the agenda.

I want to thank the city manager snipes for taking care of that.

We brought it up at the last mbwb subcommittee meeting and it's back and gives me information that makes me want to ask a question, because we have contracting janitorial services for other entities, abia, other departments, and we have identified and actually procured minority participation, and I'm curious as to why, in the \$3 million janitorial service contract, that no subcontracting opportunities were identified and, therefore, no goals were established.

>> Council member, of course, we evaluate requests made to the department for the contracting opportunities.

In terms of the particulars of this contract compared to the others you've mentioned, I would need to go back and research that and provide an answer to your office.

>> Martinez: Do you think you could do that maybe before thursday's vote?

>> Absolutely.

>> Martinez: Thank you.

>> Cole: Chief mcdonald just mentioned to me that this item is going to be postponed by staff so they'll have more time to answer questions.

I do have a quick question on number 15.

>> Cole: Go ahead, council member morrison.

>> Morrison: A call center question with austin energy.

Previously, we approved a one-year initial contract and then asked austin energy to maybe do a little more research to see fit ma -- if it made sense to do extensions to the contract or if there were possibilities in terms of doing some full-time employees instead of some of that, and i appreciate the work that you put into that, and you provided a long, involved and complex memo on that.

I have one question about you were talking about the benefits of having temporary workers and contractors fill those positions, and one of the issues is that you said that it facilitates the rapid deployment of skilled agents to maintain service levels and that the day-to-day routine, really being involved, is what creates the efficiencies and the competencies.

So I'm wondering how is it that the contractors, the temporary workers can maintain that day-to-day routine and maintain the proficiency.

Seemed there was a little hole in my understanding.

>> Council member morrison, that specific response was, I think, we were asked by council to look at the difference between contract employees and regular city employees.

If we had a down time, they could be shifted off to other city departments and do other work.

And what that phrase was referring to is when we bring them back after some time period, if we were to do that, we would have to send them back through training to be updated on whatever the current events are throughout the city and also on any changes in the way the information is conveyed to them and the tools that they use.

If they're contract employees, they are constantly going in the center, don't get deployed to other tasks, but do a manage attrition.

The up and down workload, the call volumes at peak period, would have a trained set of employees through the contract services.

If the volume goes down, we allow natural attrition to balance it out with the remaining employees over the organization.

>> Morrison: There is something I'm not understanding.

There's 100 regular employees and up to 95 positions with contract police.

Employees.

Are they only there when the call volume is high?

>> They are there when the call volume is high but we schedule throughout the year.

As the year goes on, I if you know, part of the opening statements we mentioned that call centers as an industry is going to have a higher attrition rate than most in the austin area.

Pgh [one moment please for change in captioners] ... as those full time employees leave, we don't bring in contractors oh.

>> We do the master volume.

The ending statement I would add to it is, when our regular employees leave, permanent positions or regular positions, it is that contract pool that we hire into our regular position, they move from a contract employee into the regular city employee, then we report the process behind them.

We bring in more contract employees, go through the training, and then we allow the natural attrition based on call volume to work it down or up, so we manage it through attrition through the year.

>> So it sounds like almost of a probationary -- maybe you don't call it that, because you get to try out the contract employee before you hire them.

>> Actually, it is.

But it's two-fold.

It also allows employees who come into a high volume call center to try us out as well.

A lot of people kind of think it's a little bit of sort of receptionist work or just answering the phones.

>> I imagine that.

>> As soon as they finish one call, it's rapid.

Also some times the calls can get pretty intense and dealing with the emotions of the day, and also being proficient.

What it does for the city, it allows us, when the attrition is the high evident, and the training is the most expensive, it allows us to use the contractor for the earlier stages, and as the agent becomes more proficient, and they choose to stay on with us, and through their performance, they are the most proficient agents, as time go by, they then become regular employees, it actually is a match that helps the city and it works for the employee.

>> We had an agreement.

12 O'clock it was.

Are we going to stick to it?

This meeting of the austin city council is -- do you have a question, kathy?

>> Okay.

>> We can always pass a resolution.

>> We have three hours of presentations or two hours of presentations --

>> oh, I see.

I can catch you off line, can you verify for me is the training 2065 per employee, the number cited in this memo, is that what it costs to train.

It talks about a savings per employee if the employee terminates during the first two weeks of training, so I'm assuming that that is the cost of providing training to those contract employees.

>> Gutierrez, vice-president, customer care austin energy.

>> That is the cost of the first two weeks of training.

The training is a total of four weeks, so there's an additional cost beyond the 2000.

>> What is the total -- is the total cost about 4,000.

>> Yes, approximately \$4,000.

>> How does the attrition rate for contract employees compare to the attrition rate for full time employees?

>> Because the contractors are used at the beginning of the process it's higher.

The full time employees have been with us several years, one year as a contractor, and then years after that as a full time employee, and so their attrition rate much lower, and typically they move from a call center employee to another staff position within the city.

>> So I guess I'm -- I guess I do need to ask you some more questions again offline.

>> Councilmember --

>> that's what I was going to ask you.

>> Yeah, about how that works out economically for the city if you're investing \$4,000 in the contract employees and most of that investment is up front.

>> Can you stay?

>> Okay.

>> This meeting of the austin city council is now adjourned.