

## Housing and Community Development Committee Meeting Transcript –6/24/2015

>> Good afternoon, i am council member renteria, i will call this meeting of the housing and community 301 west second street, austin, texas, the time is 3:06 p.m.

The first item on the agenda is the approval of the minutes from the may 27 meeting, do i have a motion to approve?

>> so moved.

>> motion by councilmember greg cesar. Seconded by cheryl gallo.

All in favor, raise your raise your arm.

That passed on a vote of unanimous vote

We will now move into the next item, which is citizens communication.

The first and only speaker that signed up is stuart stuart, do you want to speak on citizens communication?

Stuart hirsch.

>> thank you, chair, members of the committee.

My name is stuart harry hirsch, like most in austin, i rent and i want to talk with you today about the drainage fee rent control in texas and rental housing affordability goals.

Tomorrow the city council will likely approve a drainage fee ordinance that provides lower rates for homeowners in high rises than renters in multi family if their amount of and percentage of impervious cover is the same on both sites.

Homeowners currently pay half of what those of us who are renters pay who live in low places.

I've got friends in low places and it looks to me like we will not get the fairness we deserve if the current staff recommendation passes tomorrow.

On the topic of rent control and rental housing, in 2006, the city council appointed an affordable housing incentives task force to examine additional incentives for creating more smart housing, home ownership and rental opportunities, as city staff we created a briefing book with the help of the law department, which none of you probably have ever seen.

I'm providing you a copy of the page on rent control and inclusionary zoning in homestead preservation districts.

It clearly states rent control can only occur after disasters if signed by the governor [lapse in audio] if these laws are still in place, but some of our memories have faded due to age.

So i know that you are going to talk about these things later, it's not clear to me that they [lapse in audio]

based on the [lapse in audio]

>> renteria: thank you.

>> i have a question.

>> renteria: yes.

>> mr. Hirsch, you had referenced the drainage fee, sounds like you have done some calculation, can you just share that with my office?

>> what i did is look at the fee calculator that's on site

>> kitchen: right.

[lapse in audio]

>> it appears from the the formula should allow me as a commercial owner or as a single family owner or the owner of a high rise to pay the same.

But looks like the background in the ordinance creates a different fee structure for a certain number of stories and above versus a certain number of stories and below, if i'm reading the latest draft correctly.

>> kitchen: well, we can get with you, if you don't mind, but i don't want to take the committee's time to explain that.

It's not a different fee structure.

It's it's a formula for the amount of impervious cover divided by the with the percentage of impervious cover.

So so i have i would have to see what you're talking about in terms of the math in order to work my head through that, but it's the same formula for all types of structures.

>> if that's true, i'm totally supportive of it.

>> kitchen: yeah, it is the same formula for all types of structures.

>> okay.

Because yesterday at the work session

>> kitchen: it was not clear.

>> that it was 2 of 0 per unit when it was a certain number of stories and 6 something if it was below a number of stories, and that's what i listened to yesterday in the work session.

>> kitchen: all right, we'll get some clarity on that for you.

>> thank you very much.

>> kitchen: okay.

[lapse in audio]

>> renteria: order of the agenda permanent supportive housing, then we'll do the exclusionary zoning presentation, which is item 6, after that we will move on to item 5, followed by item 4.

To recap we will do item 3, then item 6, then item 5, then item 4.

Then we'll finish up with item 7 and 8.

>> good afternoon, council.

My name is rebecca (indiscernible).

[no microphone].

>> renteria: start over again.

>> [indiscernible].

>> hello.

My name is rebecca gello with the city of austin neighborhood housing and community development.

I want to just be able to introduce to really two really incredible leaders for the permanent supportive housing.

Ed (indiscernible) is our chair for the permanent supporting housing, i can't speak enough about ed's leadership.

His ability to bring us altogether on a monthly basis and challenge us to continue to make progress when we all sometimes just looked at each other in somewhat of an amusement because we are constantly in a state of working together the puzzle of psh and (indiscernible) the leader in her own right, executive director of ending community homelessness coalition.

They has been a steadfast and progressive leader of the agency and working with us over the course of the last several years.

I want to also acknowledge stephanie hayden the assistant director of health and human services.

Council, about five years ago, actually, put forward a resolution that essentially married the housing department and health department and it was fundamentally one of the best things that could have happened in my career.

We've been working together seamlessly over the course of the last few years.

I'll turn it over to ed and anne for a presentation and come back to you to visit with you a little bit about the good landlord program initiative.

>> renteria: thank you.

>> good afternoon, councilmembers, thank you for the time, what we would like to do today is give you some quick background on permanent supportive housing and the plan for funding it here in the city of austin.

[lapse in audio] my name is mchorse, i'm with graves daugherty and have been involved with echo since 2008.

Anne howard is the executive director of echo.

We have been a part of the city's leadership finance group on phs since it was formed in 2011 and we've made tremendous progress, rebecca is absolutely right, it's been a great forum for moving not just the city forward but with the involvement of several other governmental entities and private agencies that will kind of go over shortly.

But anne first is going to give a quick overview of psh.

Here's my suggestion, if it's okay.

This area is full of acronyms.

And for (indiscernible) this.

Raise your hand when she says rrh or something like that and we'll make sure that we slow down and explain what those are.

So permanent supportive housing, what we call psh, is our key strategy to ending chronic homelessness.

When you think about someone who is chronically homeless, they have demonstrated over and over again that they cannot maintain housing.

When they work with us, they usually have a problem maintaining go, accessing or getting a lease.

So permanent supportive housing is permanent because we're going to help these folks get a lease and then as long as they abide by the lease, like other paying tenants, they can stay housed.

So the client pays up to 30% of their income and the community, through the non profits, through h.u.d., through the va, pays the rest of the rent.

They are not they need to dedicate them to the cause of permanent supportive housing.

Then the second piece is that it's supportive, which means that they are in partnership with the non profit community.

And we make sure these clients have access to health care or job training or education or treatment, whatever it is that they need to maintain housing.

Those services are not mandatory, but they are very intensive.

So we are there enough so that when the client needs it, wants it, is willing to participate, they are available and they take advantage of them.

The last thing that i want you to know about permanent supportive housing under this sort of brief tutorial, they are really looking for housing that can take people what they are.

It's called housing first.

Gone is the day where you require someone to be sober, to have [lapse in audio] have have three times [lapse in audio] next slide please.

When so many people are claiming i need affordable housing, are we going to sort of (indiscernible) housing to the homeless population, why take a chance, if you will, on the homeless population.

Austin needs to do it because others across other communities are doing it and seeing great wins from it.

There's chicago, new york city, seattle, they are saving money because they are housing people who unhoused cost the community a lot of money.

H.u.d. estimates that to do nothing, to leave a homeless person homeless on the street costs your community 40 to \$50,000 annually.

So if we can house them and wrap them in services to bring those costs way down, that's a smart thing to do.

Next slide, please.

So i just mentioned other communities that are saving money.

Last summer we did an evaluation of the permanent supportive housing we have here in austin and we looked at the data and recognized that people are staying housed on average of three years, that means in the program, they then may be moving on to their own housing.

The secondly that children remain in the home, most times.

And the last is we saw that 95% of adults maintained or increased their income after they get housed in [lapse in audio] our homeless population racks up a lot of tickets with the downtown (indiscernible) court and is in and out of jail a lot.

Typically, only because they're homeless.

There's no where to live, you know how it goes.

When we house folks, they're not homeless anymore and they don't live that same way.

So we have found that 80% of the cases with the downtown court dropped in the first year of housing and then we saw this drop in bookings of jail in first and second year of housing.

When you look at the drop in housing in jail and criminal justice and emergency medicine, you recognize that Austin, too, is saving money by housing people.

Okay?

Next slide, please.

I want you to know a tiny bit about who is getting this housing, male and female alike, folks with disabilities, with substance and alcohol abuse issues, with physical, developmental disabilities, with mental illness, and [lapse in audio] next slide, please.

So it offers stability and it [lapse in audio] strategy for ending homelessness.

So I'm about (indiscernible) and in the deep dive I did with you a couple of months ago, if you talked to me for five minutes, you'll hear my excitement that we've got all of the nobody profits working together non profits working together, assessing individuals for what is the housing intervention [lapse in audio] they need in front of you as to who needs our most extensive, expensive intervention.

About a third of them.

The others we believe from their history, if we help them get into an apartment, they can then manage after a short period of time on their own.

31% recommended for permanent supportive housing, 55% are recommended for what we call rapid rehousing.

That's what I just mentioned of helping them get into an apartment, getting them stabilized and turning it over to the individual.

Of those, 31% of that 31%, that's been recommended for psh, since October, 27 have actually moved in.

Part of that is we're either looking to move them into newly built affordable housing units or market rate apartments where we're enticing landlords to work with us and work with the non profits who do this work.

Those non profits in austin are caritas, front steps, lifeworks, safe place, and austin travis county integral care.

The unmet need this day or the day we pulled those numbers was 324, but we're doing assessments every day.

Our community is estimated to need on whole, if you will go to the next slide, please, just under 2,000 units of permanent supportive housing at any one time and ed is going to tell you how we're going to get there.

>> thank you, anne.

So the leadership finance group was put together at city council's request because funding permanent supportive housing is hard.

It's not one person writing one check and when the city did a study, actually, it showed that we were over 1900 units short of what our need was for permanent supportive housing.

What that meant, you can see it on the slide is back in 2010 we had about 480 units that were dedicated to psh.

The city at that time felt like they had a very aggressive goal, that was to add 300 additional psh units in what was about three and a half years.

It really has made a difference.

Bringing together the city, the county, the housing authority, the private community, to focus on this as an issue and figure out how to put the puzzle together has been successful.

We met that first 300 unit goal and a new goal was set.

The new goal is [lapse in audio] by the end of [lapse in audio] 200 of those units should be housing [lapse in audio].

As odd as it is to say, in the (indiscernible) type of housing, there are those who are easier to serve and those who are harder to serve.

There's still a variation, so we really need to focus, the goal is to make sure that at least half of these units are (indiscernible) to serve.

They are also the most expensive for our community, e.m.s., so also a return on investment in addition to helping those who are vulnerable.

There's a real difference between having newly created units or repurposes units.

Both are extremely helpful, but they are making a bigger difference if you can create additional units.

It's self evident but also harder.

But we have really set a goal that is substantially harder not just in the number but in the types of (indiscernible) people we're trying to serve this time.

The reason this is particularly challenging is for the people who build it and try to provide the services is because it comes from three different areas.

You have the capital costs that is the property to maintain and rehabilitate the complex.

That tends to be one source of funding, tax credits and things like that.

Then you have the service that is usually offered by somebody else, that is going to be caritas or (indiscernible) care or the groups that are specializing in support services.

Then third component is the rent.

From vouchers, either from the housing authority (indiscernible) administration.

But if you are if you are a builder, you have got to bring all of those together before you break ground.

In order to do this, they're not going to do it on a wing and a prayer, so that's most of what we're been trying to do is figure out how does that financing to together.

If you will flip to the next slide.

I can't say enough [lapse in audio] to get people who span the issue from each of the agencies and each of the interested stakeholders.

This group does not include the service providers, it does not include non governmental developers because it's really supposed to be a policy evaluation and not not can we get dollars to this particular group or that particular group.

So it's come together, been a really nice job.

In particular, not only has the city done a great job and rebecca is absolutely right, having health and human services in their with neighborhood housing is absolutely one of the best things that came out of this, on the slides, is that when when we did an rfp recently, it was about 18 months ago, we figured out or they figured out, i just got to be present, that they could marry those two proposals.

So we did a request for proposal to develop permanent supportive housing and we paired with it (indiscernible) making it substantially easier for someone to be able to step up and say i can do this.

In the past those used to be coming in different directions, it's just been very, very helpful.

If we're going to go to the next slide, please.

If we're going to go and create all of these \$45 million in capital costs, are our proposal, our strategy [lapse in audio] this is through 2018.



Then you see the red slides, that's the the housing bonds that were passed a year and a half ago.

[lapse in audio] echo coordinates that's, that's about 5.5 million a year, most of that is going to be either operating or more capital to help get these projects going, then there's a few state projects, but most of it is going to be federal and then a little bit of local.

Next slide.

On the operating piece, as i mentioned earlier, that's mostly vouchers and it's mostly our housing authority.

Which has, again, just done a really nice job of stepping up and making this work.

When we looked around at other communities who have been successful in this, is that the housing authorities lead the way.

That that they've got the one of the few that's actually got the stock and the vouchers so they've got the infrastructure working.

If your housing authority isn't behind your psh problem, you are really going to struggle.

So the housing authority, both travis county and (indiscernible) have done a great job stepping up, that's going to continue to have to happen.

Right now there are there are that's a bigger piece of what they are doing right now, i'm sure you are all aware of the challenge to try to ends veteran homelessness by the end of this year.

It's a nationwide challenge and mayor adler has committed the city to that goal as well.

There's a real problem.

We have resources to be able to do that through the vouchers.

We will look at the other pieces as well.

Next slide.

The support services, this is where it gets really fragmented, but that's okay.

Because that's what it takes because the services, as anne mentioned, are from all different all different sources.

It depends on whether you are needing to support someone with employment services, psychological, mental health services, counseling, you it can be a whole array of different services, so it really needs to come from different organizations and, typically, the support services are funded to the agency or entity providing [lapse in audio] [lapse in audio] providing the service.

[lapse in audio] folks needing substance abuse or mental health services, that's an important piece.

Looking at this chart, you will see the city's role.

We would think what we think we could do with your approval.

That downtown density bonus, the anticipated fund is there.

Then the 750 are are 1115 waiver and other local funds that contribute and go out, too.

I'm going to get real quick on you here, i'm going to talk about some of the success stories.

Yes, sir?

>> can you tell me what the (indiscernible) stands for.

>> yes, the veteran affairs supportive housing program.

Well, what they do is they get a place to live that [lapse in audio] so the good thing about it is they can take it wherever they want.

The bad thing about it is they have to go find it themselves and find someone willing to take it.

Let's go to the next slide.

I want to show you three projects real quick that have come about.

These are psh projects.

This first one is the palms.

It is a much bigger project, but 16 of the units there have been dedicated to psh which is really what we're looking for.

A perfect situation is that you've got affordable housing that has some psh, but doesn't have to be entirely psh to be successful.

Those are very successful projects.

You just have to have enough there to make the case management cost efficient.

This one h.u.d., most of its funding, (indiscernible) services come through the h.u.d. project, h.u.d. funding and then some of the housing bonds and some low income house credits.

This one is part of the 300 units that were our first target and success.

Next slide.

Spring terrace, one of foundation communities projects.

They work with the travis county housing authority to to help provide the the vouchers for this particular project.

This one was funded in part by a special grant that the county went and got in connection with criminal justice matters to try to show that housing reduces recidivism and brings down the costs to people exiting out of the criminal justice system.

And you can see it has this is a perfect example of how hard it is to get the capital lined up.

If you just look at how many different pieces go into the capital financing for spring terrace.

Next slide.

And then this next one is one that is in the work, will be a part of the 400.

This is a project being put together by integral care.

It's going to be 50 housing first units.

And this one is still in process.

They do have some bond money from an rfp, it's only about 3 million.

They have a state dshs, department of state health services grants that is very important.

It's \$7 million.

>> in this project it's 5.

>> okay.

But they have to go match it.

So they have to go out and raise privately another 3.5 million to match that.

This is going to go above one of their clinics in an existing site, it's going to be a great project, they will bring in other people to help provide services in addition.

Next slide.

So as i indicated, what we're going to do is what we did last time was issue a report that puts this into much more detail and commentary and will show you specifically [lapse in audio] will show you [lapse in audio] to you all, we will also go out and make sure that the county is comfortable with what's there, the housing authority, try to get everybody on board.

There is no authority behind it other than just the authority of if this is our goal, here's how we're going to do it.

It's not a budgetary item.

The request is this is kind of our standard, we really want people to be aware of this, we want them to know what permanent supportive housing is and why it's important and focused on the economics, which is why it's most important, the other thing is you're helping the most vulnerable.

That's the second piece of it.

It's strategic, it's really an important thing to do.

Any questions before we jump to the good landlord program?

>> kitchen: yes.

Could you go back to the page with the funds needed to create the 400.

I just wants to ask a few questions about that.

>> sure.

You want to go back to the capital page?

>> kitchen: well, it's got all of the funds on it.

>> the services.

>> kitchen: that one, yes.

So these are funds needed through 2018, is that right?

>> correct.

This is for a calculation of if you want to build 300 new units with our goal being 300 of the 400 new units, that this is what we believe the capital costs would be for the acquisition and development of those units.

>> kitchen: are any of these funds committed yet, other than the affordable housing bonds?

The affordable housing bonds we have in hand, right?

>> right.

The funds are there.

It's a matter of allocating them in a way that to have a project that applies and qualifies and meets the criteria.

The 25 million, other sources, a lot of them are tax credit funds, you hear about those when they come up for tax credit approval.

Let's see.

The city general funds are not committed at this time.

And the federal pass through, those are going to be those h.u.d. continuum of care funds.

>> kitchen: okay.

So

>> those get renewed year after year as long as we continue to show that we're effective with them.

So far we do.

>> kitchen: i guess i'm trying to get at how certain are these funds?

>> oh, not very at all, if you're a developer.

If you're a developer, not very at all.

In each case, especially when you get over to the services funding, which is two slides over, you know, basically what we're doing here is we're pointing out where funds are available.

We're not coming to you and saying that the county has agreed to fund x, that the city has agreed to funds y.

We're asking you to do that.

We're asking the county to do that.

What we're really trying to say is our role has been, as a community, not just as a city, if a community our goal is to get these psh projects developed and meet this goal, here's a way it can be done.

We are not just sending every developer out there to hope they can figure out what combination works for them.

It's to say we can do it, we have to have the will to do so.

>> councilmember, i would like to add what we did with have rfp, the request for proposal, where we matched up the bond funds and some money from health and human services, that's the city leading the way.

It then is an incentive to the developer that ah the city of austin wants a psh, permanent supportive housing, they are putting what they have to contribute in the game and so then they are able to go leverage that [lapse in audio] and their capital stock together.

Yeah, the city bond funds are there, but we need to make sure we use an adequate chunk of those to drive permanent supportive housing.

>> kitchen: okay, thank you.

>> thank you very much for the presentation both of you, you are doing an amazing job.

I have a couple of questions, please, the units that have been developed between 2010 and 2015, looks like it's about 375 units.

Do you have some type of statistics or information that shows when those units are?

You know, where they [lapse in audio]

>> right, so the other slides in there that show the the the success that we've had around the families increasing gaining income, children staying with the family, people maintaining housing for three years, the fact that it's male and female, what their different disabilities are, that's our relevant to that population that been housed.

We have about a 90 page evaluation that we did last summer that looks at the units and the people in it since 2010 to 2014 so we can provide you with that.

>> does it also show the breakdown between the different projects, developments that have been provided and what each of those developments, what part of the population they serve?

Do you have that type of information.

>> we don't have it specifically like that.

We could probably do some more data mining for you on that, you know, depending on sort of what your specific question is, we can probably answer it or get it answered.

>> i guess what i'm looking for is to kind of get a sense how between 2010 and 2015 the additional 375 units were built and provided for.

>> what we can do, we do that pretty easily, we can identify which projects those are in and we can identify what most of the sources for funding for those were.

In some cases we are relying on the developer to share that information, but it's a pretty close guess.

So we could pull that together.

For that 300 it's pretty easy.

If you go back to the ones before, much more difficult.

But we can get that for you.

>> gallo: then an indication of what developments are they providing services for specific part of the population that you are trying to serve or is it kind of widely scattered through each of those different developments to get a sense of how the developments are being formulated.

>> the one that you just passed gives you a little sense of i think what you are asking.

Shows you here to remodel these departments he had to get funds from all of these different places, shows you how you funded that remodel.

The point that i would like to make is that the group that we haven't been able to house is this group that really needs what we call housing first.

Meaning we need you to be able to look beyond their history.

They might have a criminal history, they might have bad debt, they, you know that's why they need us, you know. But for these programs, they can't get housing, that's why they're stuck on the street.

And some of our development, while it serves a fantastic purpose, has still set the bar pretty high.

And so moving forward, we need to drive investment into development that recognizes who what the end goal is here.

Who we're trying to house.

>> gallo: i agree completely.

I think that was the reason for my question is that i would like to get a sense of what's been accomplished over the last five years and what part of the population its serving and i think that is probably going to answer the question is do we still have gaps.

>> sure.

>> we do.

The challenge that we were very pleased that the 300 goal was met.

>> 350, i have to correct you, sorry, 350.

>> we were very pleased that the 350 goal was met, we were disappointed [lapse in audio] that (indiscernible) quite as much as intended to in 2011.

>> gallo: having analyzed that and seen that information, has the direction changed a bit for being able to try to find and develop and encourage that type of development?

>> sure, because it's all purse strings.

So what we've seen and what we're working on is people who get served are the ones that the funders say must be served.

So if the city puts out a an rfp says we want you to do housing first psh, you will get applications for housing first psh.

If you put out an rfp that says we want to do affordable housing, you're not going to get any that says we want to do housing first because there's so much that's easier to do.

So the goal has been to tie the funding to actually meeting those goals that match up with what the city has in mind.

That's the way to get the development to match the goals.

>> could i add something real quick?

[] 3:45 pm

>> could i add something real quick?

You remember in the state of the city speech mayor adler proudly called out echo twice and one of the things he mentioned is we are the recipient for a pay for success, social impact funding grant, if you will, from the white house, and we're studying right now how we can do permanent supportive housing for what we call super utilizers of healthcare, criminal justice and social services and house them and look at those community savings and give a return on private investment that helped us create that housing.

And to do that we're going to have to house the folks who who nobody wants to house and therefore they're racking up costs.

So right now we are breaking it's like history being made.

We are sharing data between the sheriff's office and the icc, the integral care help me, ms. Kitchen.

>> kitchen: integrated care collaboration.

>> the healthcare information exchange.

So we've got healthcare data being matched up with criminal justice data and our homeless management information system data to really find the target population and it sort of hurts to talk about people like that, but that's how we're going to make this work.

>>

>> casar: my one last question and i had to step behind the dais so you may have discussed it then.



The purse strings i understand will dictate what we get, but is the purse any heavier or lighter when we're talking about asking for that mix or that quantity of housing first in the rfp that we put out for psh?

>> it's heavier.

The reason it's heavier is because in that group you have folks who have less resources to contribute on their own and so you're more dependent on the government or on the fund.

>> so that purse has been calculated in the pie chart you gave us.

>> it is.

>> casar: at least maybe not as long as we can, but we can at least plan to shoot for perhaps we can have community discussions, sort of funding levels [lapse in audio].

So landlord incentives typically fall into three general categories, they're multifaceted approach and the incentives are there to acquire and upgrade their properties.

Some of the austin conversations that we've been having with our stakeholders have surfaced some key opportunities that external stakeholders have indicated would be indeed incentives.

So one would be a mitigation fund and by that if landlords had experienced damage on their property there could be something they could apply for for reimbursement.

The guidelines have not been fleshed out.

Fee waivers and expedited review is one of the main things.

If for example a landlord had code violations they should be able to have access into the city system and be able to have fee waivers and an expedited process to address those violations.

Kind of a one stop shop.

This is an idea whereby there would be technical assistance, whether that be a full time equivalent or a division, someplace individuals could go to get everything from education to questions answered.

But having access to a specialist, so to speak, was one thing that folks felt like would be an incentive.

Tax incentives and then a rental gap fund.

In other words, as far as a landlord was to in other words, if a landlord was to accept vouchers and be able to house those hardest to serve that they would have a gap funding for anything over the fair market rent that the voucher would not cover.

Some program examples, and we're happy to dig around in this a little bit more when we bring the topic back to you all in a memorandum, but salt lake city, new jersey and west hollywood were all cited in our research as having very different design programs.

Again, salt lake city's, if you were to google good landlord program, that comes up number one and they have a very extensive educational component for their landlords, online education, access to trainings.

They receive discount on the rental licensing fee.

One of the things that we have found is somewhat of not necessarily a shortcoming, but something that is a void is being able to attach it to a fee where you could automatically get a discount and that's what we're looking at, a framework that we could discount that every landlord would have to pay.

New jersey's was specifically around disaster recovery and west hollywood is actually one city that is exploring reduction in fees for renting to low income individuals.

Our next steps around this is to provide you all with some concepts that the stakeholders will continue to provide us and attach that to what we would consider a fiscal note, to allow you all to see what could be a collaborative partnership with multiple departments that you see listed there.

I believe if we had a collaborative approach it would involve a number of departments so there is some internal coordination that we have still yet to do as well as external coordination.

I'd like to turn it over to ann as we close the presentation just to talk a little bit about the ending veterans homelessness initiative and where we believe the good landlord program has some synergy.

>> earlier today

>> one second, ann, apologies.

>> kitchen: could you let us know the timeline for the report back to council?

>> our objective working with housing works austin as well as echo would be to have something back to you all in the next three to four months.

>> kitchen: okay.

So we're not thinking about this in terms of the current budget cycle.

>> it would be ideal, but i do not see with the initiatives we have and the planning to do as well as the stakeholder conversations that we would be able to get something back to you in the next four to six weeks.

>> kitchen: okay.

Thank you.

>> it is critical that we come up with something that as you heard from permanent supportive housing we need to not only create new units, but use existing stock.

In our effort to end veteran homelessness by november of this year, we are going to need apartments because we can't build that housing so we are working this morning, earlier with.

>> mayor adler: t mayor adler and with the apartment association to shake loose some apartments so we can house veterans.

I think working with the apartment association we can sort of fine tune or hone in with some incentives as we work with more and more landlords and property owners to see what would really work here in austin.

To not only sort of grow the pool of participating landlords, but also to sort of reward and keep the ones that are working with us.

It is across the community.

We have a developer, property owner right now who was pointing out to me, you know, i got things i need to fix in 30 days, but it takes me 45 to 90 days to get the permit from the city to fix the thing that i'm going to be fined for if i can't fix it in 30 days.

And there's people living there.

So it sort of forces him to go fix it even though he doesn't have permission to fix it.

So things are a little twisted and we've got to untwist them.

But i'm very in the years i've been working with nhcd, it's a stakeholder group with a good working relationship and we look forward to working with you.

>> i want to close and also acknowledge that well before the resolution there was a group of individuals in austin working on a good landlord program, specifically around code enforcement issues. So i would be remiss just to mention a few stakeholders.

One of the reasons i believe some due diligence is needed is because there are a number of other external stakeholders who have been working on that issue for a number of years that we would want at the table.

>> renteria: councilmembers, any questions?

Councilmember gallo.

>> gallo: it's misbehaving over here.

In reference to a little twisted, i would say a lot twisted.

And i really do appreciate the fact that it sounds like that you were reaching out to the industry that actually provides the housing to say here's the problem, what do you think?

How do you think we should solve that?

Because i think a lot of times has policymakers we attempt to second guess at what the answer is rather than actually asking the people that are in the business of providing that.

So i really do appreciate the fact.

It sounds like that you've gone out and are really working with apartment association and landlords to say help us fix this, what do you recommend?

I think that's a really good

>> and the apartment association is here today.

>> gallo: i think that's a really good conversation.

>> renteria: any other questions?

I really want to thank you.

And thanks for everything that you're doing.

I had a homeless person that passed my house for six years and we tried and tried to get him in and even found out that he was a veteran from the vietnam war and we finally got in in rebecca bain and he thanks me for helping him get off the streets.

That's all they need because i know the longer they're out on the street the harder it is to get them off the street.

I want to thank you.

>> thank you.

>> renteria: let's see.

Are we ready for item 6?

Has the speaker showed up?

If not, we can are you ready?

>> kitchen: they're here.

>> renteria: item 6 is going to be the presentation and discussion on inclusive area zoning and affordable housing.

Welcome.

>> hello, good afternoon.

I was just asked to give a brief presentation about what inclusionary zoning or inclusionary housing is so i'm just going to do an overview of basic features and i'll turn it over to robert who can talk about some of the legal issues.

>> renteria: if you could state your name for the record.

>> my name is elizabeth mueller and i'm associate professor at u.t. in the community and regional planning program.

And also a member of the community development commission.

Maybe that wasn't the right button to push.

Okay.

There we go.

Okay.

Well, i included this slide because i wasn't sure robert was going to be here.

Since he is i won't spend much time on it, but this is basically the part of the bill that was passed that prohibits cities from setting maximum sales price for properties or lots.

And i just wanted to lay out what the exceptions were that were included in that law.

And he'll talk more about issues with that.

But the second one on that list is about homestead preservation districts.

So i just want to talk briefly about what these policies are about.

Some of the questions that you have to think about in designing a program.

And some of the issues that come up in implementation to make sure they're successful.

So inclusionary zoning or more often this is called inclusionary housing policies is basically an umbrella term that is used to describe a very diverse set of local partners.

And the basic idea is to try and include affordable housing in larger projects that are being produced in strong markets.

And this is really only a strategy that will work in a place where there's strong market demand and going to be housing produced.

It won't work else r it's meant to be a program that will help to leverage the production happening in the market using local tools and resources that can be brought to bear.

And originally it was really a strategy for fostering greater economic and racial integration and it's usually done at a larger scale than what we're talking about here.

What we're proposing in these districts is a little bit different.

These are areas that are gentrifying so we'll need to think about how are we thinking about that goal in this context?

And this is just one tool in a set of tools that we have.

And what kind of scale do we need to have an impact on, you know, to keep access to this community for long standing communities.

So the mechanics of how these things work, and i think i want to emphasize really that we often get kind of distracted in some ways by the details of these programs, but it's important to remember that they're supposed to be addressing local needs and that may mean that the compensations and trade offs that we're making with developers will need to be supplemented by other resources, depending on how we want to target these programs.

And we need to think about the different features of this as a group.

They're all supposed to be working together.

So the first thing to think about is what kind of projects will be required to participate in a program?

Will this requirement only apply to residential or also to commercial?

Will it be just for rental or also for home ownership projects?

And what size of projects will trigger the policy.

In many places they say you have to have a minimum number of units before this would apply and sometimes smaller projects are offered to contribute funds or something else.

So obviously the local context and type of production likely to happen will be really important to think about in setting those kind of triggers.

Then the next issue is what percentage of units would be set aside?

Most common in many places these are larger developments we're focusing on and they set between 10 and 25% of units to be set aside and affordable housing.

Some affordable.

Some cities will adjust that depending on depth of affordability.

If you are setting aside units and making them affordable to lower income groups maybe you produce fewer of them.

And how do we target them in terms of income?

How affordable do they need to be?

That's obviously going to depend a lot on what are the policy goals of this program and how does it fit into a larger set of strategies for the preservation districts?

Some cities have intentionally built in ways that the lowest income groups can benefit by, for example, montgomery county, maryland explicitly allows their housing authority to purchase up to a third of the affordable units produced in any project and their housing authority has been very proactive in doing it.

So that's resulted in units that are accessible to very low income households being really throughout their entire county.

Cambridge, massachusetts requires that some portion of the units be accessible to people with vouchers.

So there are ways that other resources and other programs can be matched with this to help achieve greater depth of affordability.

So that targeting has to be matched by program parameters, but also by city resources.

Another city is to think about do we want to require the units to be on site or could they be produced somewhere else in the district?

And in that case i think we need to think about what value do particular locations offer?

So some jurisdiction like fair fax county are trying to align this with their planning goals so in places where they're trying to develop transit they're especially interested in having on site units to support that.

So we'd have to think about that in this context or is transit access a value or access to schools a value or clinics or other things?

And if we're going to allow off site units, how would we identify appropriate sites for that.

Another issue is would we allow paying a fee instead of producing the other units?

We do that through our voluntary inclusionary programs, our density bonus programs now.

The issue there is often where the fee is set.

And often the fees are set in and generally that's been the case in other cases as well.

And then there's what type of units do we want?

Do we need family size units.

Are we mostly interested in units for single people?

Many jurisdictions will set the type they'll just say we want the units that are the affordable units to be similar to the mix that's provided in the market project.

That's one approach.

Another would be to think about what the needs are in the community and see if there's a way to align them with that, if that's different.

And then finally, the last thing is what term of affordability do we want to have?

And then there are a lot of other issues regarding implementation that go along with that.

Many of the first programs that were established lost a lot of their units over time because they had set that term to be too short or they hadn't thought it through, so increasingly jurisdictions are very focused on making sure that once these units are created that we make sure to maintain them and they remain affordable.

So the next issue is it's one thing to say you must include these units, which is if you have a mandatory program you're saying you must include these units.

If you have a voluntary program you're saying you may.

But in either case you have to offer some compensation to developers for the cost of including these units.

And there's a long list of types of things that are usually offered, but the most common one is the density bonus.

So developers are offered to build at a greater density than would otherwise be allowed by zoning.

This can allow them then to add other additional market rate units without having to acquire additional land for their project.

But obviously the scale of development possible in an area is going to be really important to how well this works.

Another approach is to allow units to be smaller than they might have been otherwise.

That would be useful for the need is for smaller units.

Obviously if the need is for family units, that's not the form of compensation we would want to offer.

Reduced parking requirements can be another benefit that can be offered.

Fewer or smaller spaces and that will work best in high density development where there's very good transit access.

Denver for example, waives 10 spaces for each additional affordable unit up to a total of 20% of the total parking requirement.

But they're doing that in conjunction with transit core-oriented development throughout their city.



Another is to offer design flexibility, changing setbacks, minimum lot size requirements.

Boston grants greater floor to area ratio.

Again those things have to be aligned with other planning concerns at the same time.

Some cities will waive fees of various sorts.

Austin smart housing program has established that as an approach here in Austin.

Other cities might defer fees and say you don't have to pay the fees until you get your certificate of occupancy so in an attempt to lower carrying costs to developers, fast track permitting is also a benefit that can be offered which smart housing did for a period when we had a reviewer specifically dedicated to that. That can also reduce carrying costs.

And finally financial subsidies.

So if we're requiring something that is going to be tacked to a group that these kind of trade offs are just not going to allow us to reach then we have to be able to put in additional resources to get to that level.

So just from looking through lots of information about the wide range of types of programs and circumstances out there, here are some of the things that I think are important to think about as we consider this for Austin.

I think we need to be very clear what the needs and priorities are for each district that we're trying to use this tool in.

So what is the particular need we need to try to address and how does it fit in with the goals for affordable housing and kind of helping stabilize the community in these areas and how best could this tool work in that overall picture?

In we're going to establish a program we need really good information on development cost, and there are a lot of tools out there that can help us get it.

It's very important that we have third party verification of that information.

We need stakeholder engagement on the program.

If we set parameters that doesn't work and doesn't allow them to see the benefit of their projects then the whole thing doesn't work.

It's important we have ongoing monitoring, there are loops so we can adjust things if they're not working.

Many of the longest standing programs have had problems over time as market conditions changed.

They've seen the program work in some areas and not areas, so fixed problems that emerged.

There are a lot of legal tools that we can use to ensure that we don't lose units over time.

That's especially important with the home ownership programs.

Sometimes in other places units would be sold and no one would know about it so there are different ways we can make sure that there's notification of sale and other things happened, so that doesn't happen.

And finally partnerships.

Particularly with things like determining eligibility or managing ongoing compliance.

In some jurisdictions there are other local organizations that help with some of these processes and can help make that less of a burden.

This slide here i recently watched a webinar that was brought on by a group called the corner partnership and they are about to launch is tool called the inclusionary calculator where you can put this would not be the end of the story for figuring out what you would need to do locally, but you can put in a lot of local parameters and get a sense of what is reasonable to ask and what you could get in exchange for it.

So this tool i have a resource page at the end.

You can see it for yourself.

They will roll this out in july.

There are a lot of groups around the country that have a lot of experience working with this.

If we were to move forward with this, i think it would be important to call on some of these groups that have worked a lot on setting some of the parameters to make sure these things actually produce the number of units that we want.

Previous briefly a couple of examples, montgomery county is always cited because it was established in 1974, it's been around a long time.

It grew out of a fair housing movement in that county and was initially aimed at home ownership.

Over time it's shifted to be a lot more about rental housing.

But they've been successful in developing affordable housing throughout their county using mostly density bonuses and partnering with housing authority.

They did lose a lot of the units in the program because they hadn't thought through the control period very well initially, but the housing authority had really taken advantage of that opportunity to buy a third of the units so those units remain and some other units.

But they have also really learned a lot in this process.

They've gone back and adjusted a lot of things over time as conditions changed.

The other one that i thought of that was interesting was fairfax, virginia.

It was a mandatory program that was targeted at buildings five stories and less without podium parking so a certain kind of construction.

And then later as development really changed in their area, their suburban d.c. to the south of the district there's a lot more hi rise development.

There's a lot of tod planning.

They wanted to really try to bring those kind of buildings into the program.

They created a voluntary program targeted at the hi rise multi family near transit and tried to work the goals that they're working towards to align with the plans they're doing for those areas as well as really it's raised a challenge that i think could happen in other places like ours where there's a lot of demand.

They have now recalibrated some of their programs and suddenly they have this huge pipeline of units coming through so now they're really focused on how are they going to manage that.

How are they going to manage figuring out who is eligible, watching over time to make sure that the units remain affordable.

So that's a brief overview and introduction, and i'll answer questions or else turn it over to robert.

>> renteria: councilmember gallo.

>> gallo: i have a question of the hi rise development process because i would say 15, 20 years ago there was a national effort to start removing the hi rise developments from housing authority properties and section eight voucher programs.

It sounds like is there a shift back to beginning to develop that way again?

I think it's interesting that so many of the hi rises were demolished and replaced with low rise projects?

>> these are market rate projects that are hi rise that will have some share of units that are affordable in them, but they're fully market rate developments in areas where there's very high demand that supports that higher density.

>> gallo: is that because there's a very low portion.

>> i think 20% of the overall is what they're targeting, but their income target is more what they call workforce housing so it's a little bit different targeting than, say well, montgomery county had a range.

Many of these will have a tier of targeting with the lowest ones requiring partnerships from other groups to achieve.

>> gallo: so the difference is it's more of a mixed use resident than something that's maybe 100% affordable?

>> none of these would be 100% affordable?

>> gallo: but the percentage of going to hi rise would be because of that.

>> this is based on me reading reports.

I'm not intimately familiar with that program, but my interpretation is that's how development was going in the region.

If they want to use this tool that's about really trying to leverage development they had to figure out how to make it work with what kind of development that was happening, which was mostly higher rise structured parking, steel construction, so they had to engage the development community and come up with a new approach than they had for the lower rise buildings.

Is sounds like it has a lot of units in the pipeline.

>> renteria: could we get staff to make a copy of that presentation so we can look at it?

>> i seem to have left off my resources page, but i'll add it back on and give it to you.

I have a lot of hinges to these things   links to these things.

>> casar: and i may have some questions after mr. Doggett's presentation, but i have a feeling he will answer half of my questions and then i'll see.

>> if there are legal questions, yeah.

>> casar: there's a mix.

>> for awhile i worked with madeline johnson, stint of the city of dallas and   for the city of dallas and she had the good sense or lack of judgment to hire me for a little while in the city of dallas for a number of years before i made it to austin on a prenuptial agreement.

But that's another story.

I'm not prepared nor am i willing to give the city legal advice.

Although we are in a unique position.

Obviously we intervened in case that the landlord brought against the city to try to declare its fair housing ordinance to be illegal and unconstitutional, et cetera.

And we felt it appropriate and i believe helpful to intervene in that case, which of course is still pending despite the fact that the state of texas legislature has rolled it back effective september 1.

However i was asked to be here and i'm glad to be here.

I would say that liz's slide showing the whole statute is not the whole story.

These issues are a little more complicated, but i would say i would like y'all to defer to your own attorneys, but i'm prepared to make a few comments.

First, housing preservation districts i think pretty clearly the texas legislature has authorized this kind of activity in those districts, specifically in texas law.

But that's again not the whole story.

These are constitutional questions.

And if the city were to engage in this there's undoubtedly will be someone sue the city.

Let's just be honest.

And so with the list of the resources and the folks you should consult with, i'm a lawyer and i'm here to tell you you need to consult with a lawyer a lot.

Recently, for example,, and good news if you're in support of such an idea, which i'm hopeful, a unanimous california supreme court, june 15th, a week or so ago, decided that a san jose inclusionary zoning ordinance was constitutional and met the requirements of its california statutes as well.

And i can go through that a little bit in detail, but not too much.

I would say it's a very important decision.

It was a unanimous decision.

It was based upon an ordinance that the san jose city put on development projects of 20 or more units requiring 15% of its on site for sale units to be affordable.

I've forgotten what that figure is, but that's roughly what they did, and the california supreme court unanimously decided that to be good, if you will.

Now, that case could they could attempt to appeal that to the united states supreme court because obviously it's fresh.

And who knows if the united states supreme court could accept at that this point so it remains to be seen if it stands.

Number one, that ordinance from san jose was 57 pages long, ie consult your lawyers before you think about doing anything like this.

They did and carefully crafted it arguably and developed something that was 57 pages long.

It's not something you're going to do on a couple of pieces of paper.

A few other things.

They were interpreting the united states supreme court in two major decisions, nolan dolan is what folks could call it.

Nolan was decided in 1997.

Dolan in 1994.

And frankly there's been another decision that relates to it called kuntz decided in 2013.

These are again all constitutional questions.

What developers will say is that you're taking my property and i must be compensated for it.

That is essentially their argument.

And constitutionally that's back and forth, depending.

And so essentially the courts have to evaluate these things very carefully because each ordinance and each sort of parameter is different.

The court, for example, in the california case, mentioned or noted very specifically that the condition does not require the developer to dedicate any portion of its property to the public or pay any money to the public.

They neated that specifically.

Instead, because of the land use requirements, it places a restriction on the way a developer may use its property by limiting the price that the developer may offer some of the units for sale.

Of course it went through many other analysis, but those are the things to remember.

Another thing that was important to note is that is important for you to consider is this is not just about lawyers as well.

Depending on how a court would interpret what's happening here, whatever ordinance that the city decides to enact, there may or may not be a requirement of some sort of study to be done.

Specifically something called a nexus or a rough proportionality study.

And for example, i'm just quoting from the california court, not that that is applicable here, but it certainly gives us the latest interpretation by a fairly high court.

Under nolan and dolan the government may impose a condition in certain situations only when the government demonstrates that there's an essential nexus and a rough proportionality between the required dedication and the projected impact of the proposed land use.

What does that mean?

Well, a lot, and your lawyers will probably instruct you.

But one of the major questions before the california court was whether such a study needed to be performed because if it were then that would be yet a whole other fight that a developer would try to bring.

They would try to bring that the study wasn't adequate, it wasn't appropriate here, it didn't cover that, it didn't cover this.

And the california supreme court went on to decide that such a study like that was not necessary.

And found that the ordinance would withstand.

Now, again, i'm giving you a very brief overview that these issues are complicated, consult with good lawyers.

There is some old texas law, by the way, from the teens and i mean not these teens.

1919 and 1920's, called called the lockner era in the law biz.

In those days they used something called substantive due process, ie they do something that's right and if they don't like the result they would say this provision doesn't make sense to us, it violates substantive due process and so in those days the texas supreme court threw out written support resolutions that were passed back then.

That sort of whole theory that courts can overall legislative bodies, cities, et cetera using this theory of substantive due process has long been done away with.

Essentially what legislative bodies have to show is there's some rational basis between what they did and what they were trying to achieve.

In other words, a very low standard.

So again, your lawyers will i think instruct you appropriately that those old cases regarding rent control probably not applicable at all.

So sort of to sum up, can this be done?

Absolutely.

Is it being done?

Absolutely.

In california there's over 173 cities that have enacted inclusionary zoning.

So this is not some new age thing.

It's there and it's being done.

And but will there be litigation?

Undoubtedly.

Should the city get good counsel and carefully consider and do it right?

Absolutely.

And i'll try to answer any questions.

>> kitchen: i have a question.

Thank you very much.

And nobody is asking you for legal advice so you don't need to worry about that, but we're just trying to get the lay of the land on the law.

So basically if i'm understanding, there's a state statute here.

>> yes.

>> kitchen: but then there's also constitutional law relates to takings and that's what you're talking about with regard to property.

>> that's correct.

>> kitchen: okay.

So do you happen to know if there's been or maybe professor mueller would know, have there been other cities in texas that are doing inclusionary zoning in homestead preservation zones?

Do we know?

>> i don't believe so.

>> i'm not aware of any.

If there are, i'm not aware of any.

>> renteria: councilmember casar.



>> casar: and i do think that of course legal questions we should scurry into executive session to make sure we get those cleared up, but just to clarify the reason that you were mentioning hpd's in particular, professor mueller, is because of the language in that legislation that talks about sales price in particular.

>> right.

>> casar: meaning those that are for home ownership, but as far as rental on property i guess my question is that i see you focused a good bit on homestead preservation districts which we've been moving forward with and will continue to be focused on, but it seems to me very clear in the hpd statute that this is about that the minimum maximum sales price issue is handled in the hpd legislation.

>> it doesn't speak to rental in particular.

>> casar: it just doesn't speak to rental.

>> no.

>> casar: i'm not reading maximum sales price other than what it is, it just means maximum price for home ownership.

>> and i don't know if you want to say what it is.

>> it speaks for itself.

>> kitchen: without you giving us legal advice i would love to ask you, the statute does say it's a prohibition.

So it talks about what it prohibits.

So we could argue all day about whether or not that allows what it doesn't speak to, but what it talks about right what it says in here is that it's prohibiting establishing a maximum sales price, so it's silent on rental.

And there's nothing else in the law will rental, right?

Anyplace else that would prohibit specifically prohibits inclusionary zoning in rental property.

>> not that i'm aware of, just like source of income.

There will be a dispute whether or not the issue is preempted as to what the lawyers will say for the developer.

A developer that's unhappy.

Not that there are any, but there may be one.

>> kitchen: so i assume that nobody has tested with with regard to rental housing?

>> not that i'm aware of.

But i would like the opportunity to review that and correct a misstatement if i've made one.

>> kitchen: okay.

Thank you.

>> casar: so it sounds like what y'all have spoken to us about is about possibilities of inclusionary zoning for both for sale and for rental and the way that's been done across the country.

But just from the reading of the statute.

It has to do with the statutory language is why you're talking to us as hpd's as opposed to somewhere else?

>> in that list of things the second thing on the list says voluntary programs are allowed and we have been doing that.

So

>> casar: but you mean as far as mandatory programs go.

>> mandatory are limited the preservation district, the text of it calls out not the preservation district law.

The law banning the setting of a maximum sales price for property or lots for sale.

It calls out exceptions.

One of those exceptions is for the voluntary use of density bonuses or other exceptions to get affordable housing included which have been done and which we have been doing.

And one says that this ban does not apply in designated homestead preservation districts so it's an exception to that ban.

>> casar: on the sales price issue.

>> yes.

It doesn't say anything about the rental issue.

>> casar: and the last question about the mechanics of this, i think something we'll continue to explore as a committee is i understand very well in the areas of town that is more rapidly gentrifying and have the hottest markets if we have had inclusionary zoning where we would produce the more affordable housing.

At the same time my understanding would be that that is where we would be affecting the marketplace and potentially land prices most because of that.

I imagine that's the alter ego of of that same fact.

Whereas we may be considering homestead preservation districts further south or north where there is less rapid development and redevelopment, where we would get less affordable housing because there's less being built, but where there is less demands than i imagine that there would be sort of less protests to us layering on requirements.

So i think that's just a balance that we'll probably wrestle with if this is something that we want to move forward with.

I don't know if y'all have anything to add or correct me on on that point, but my guess is doing this sort of zoning requirements over large swaths of land probably affects land prices or the way that one contemplates doing development and that that would probably affect an area more if it's a hot market.

>> potentially.

I mean, i think that people debate what effect this has on land prices and whether or not such requirements are then built into the price of the land.

I don't think i can answer that question definitively.

>> casar: sure.

I guess my comment is less after question, but more of a committee is are the housing preservation districts that we've set up are in all parts of the city that have different development pressures on them and so i think just like our density bonus programs we'll have to calibrate anything that we do depending on what the market pressures are there and what we think it is that we can get.

We were laughing when we saw the tool you think you will release because i was mentioning to councilmember kitchen, what are we on the city council and zoning cases are if somebody can turn it into a computer program?

>> kitchen: maybe that's what we should do.

[laughter].

>> i think one of the challenges is thinking about this at this smaller scale, is different and challenging because i think the goal of these programs is often to make sure that affordable values are in different areas of town.

Things are changing rapidly and would this be a tool that we can use in doing something there.

I think we have to think about what are our different goals?

What are the sets of tools we have and resources we have and how does this particular one fit?

>> kitchen: so are we thinking that the examples that you've seen in other places, the market was not the same perhaps, you know, in terms of what was going on in that market or perhaps it was because it's applied to a larger area.

>> i have a recent report that's on the list of resources that i'll share with you all that has 20 case studies.

And i was looking through it trying to find ones that i thought were in some way like austin.

And some of them are very small town type places.

Some have a great diversity of types of development in them.

Montgomery county is largely suburban.

Each one has set up a different set of parameters for its programs.

And what are the alternatives that you have and how does this perform?

>> renteria: councilmember casar.

>> casar: she had her hand up.

>> gallo: my concern is always that we make sure we bring all the stakeholders into the discussion on this.

I would say that if this committee wants to move forward then certainly bringing in the development community to understand and answer some of the questions that i think you mentioned that perhaps you don't have the answer to as far as the impact on market values and i think also bringing in the multi family industry to address those potential unintended consequences.

You know, the question of providing affordable units is always do you artificially impact the market or do you work on providing resources and opportunities for affordability being underwritten with different methods?

For example, you had talked about or we had talked about supplementing market rents at a point where somebody's rent would be more affordable because some other entity is actually subsidizing and paying for a part of their rent.

To me it's kind of a balancing act there and we want to make sure that the whole community is involved in the discussion before we determine something to do in an area that perhaps has an impact on market rents and the ability for people to do their business and not get in the middle of business models.

>> i think one piece of context for this is also the idea is partly that some of the value that's been created in these projects is the result of public actions too.

So there's idea of value capture that's part of the conversation, and in the preservation districts, i think we have a history of the city doing things that actually undermine property values there and kind of set these areas up to be suddenly, you know, right for rapid escalation of home prices.

So the public world is kind of part of the context for thinking about this.

I would really encourage you because i totally agree that stakeholder there would need to be a stakeholder process that would be critical to whatever came out of it working or not, but i think my fear is always that we dive into those details before we're clear about what are the goals here?

What do we want to do here?

What are the different tools?

This is one of them.

You know, how do the different things we have match with what our goals are?

And this may or may not match those things, but we have to do that first so we don't get lost kind of in the details.

Because the devil is in the details in this kind of approach.

You really have to work through a lot of things carefully to make sure it's actually going to produce units.

And if you end up producing units, but they're not really meeting what your need is there, then maybe that's not the best thing to do.

So you have to be clear on that to begin with, i think.

>> kitchen: okay.

>> end of lecture.

>> casar: can you give a very brief post lecture on what the [laughter].

I understand what the developer incentives are for in our voluntary inclusionary zoning programs, where we would give additional f.a.r. height.

But how traditionally it works.

And you could make it a very short summary because i'll probably ask robert for the 57 page ordinance to read over our july break.

[laughter].

>> well, my understanding of that is that i think a lot of this is triggered by legal concerns.

Do you have to offer compensation?

How are you viewing the cost of doing this?

And so i think many places have offered density bonuses and other things to satisfy the requirement the their state statute and what the interpretation is there.

>> casar: i've got it.

I've gotten to know lawyers pretty well recently.

I'm in court right now.

[laughter].

>> kitchen: i want to say thank you to both of you for coming and helping us introduce this topic for discussion and consideration.

>> thank you.

Appreciate it.

>> renteria: okay.

After that we'll move on to i'm sorry.

>> good afternoon.

Sorry, before you move on, i feel compelled to let you know, there actually is a prohibition in the state of texas for rent control.

I know you all will be getting a memo about that soon, but i didn't want you all walking away i know it doesn't speak to it in the homestead preservation language, but there is an existing law that if not for disaster, rent control, we're not allowed to do it.

If there's a disaster we can do it for a short period of time.

So i know that the law department is drafting a memo northwards to all of that for you, but i needed to say all of that to you.

Not as an attorney, but that i have that knowledge.

>> renteria: thank you.

Now we will move on to item 5.

A presentation on affordable housing goals and target and affordable housing plan and community scorecard to address the affordable housing gap in austin.

>> good afternoon, council, bettie spencer, community housing and neighborhood development.

We are very excited to bring this presentation to you.

I'm going to make some opening remarks, rebecca has a presentation and we'll have other staff here to speak to methodology if you have those sorts of questions.

It's important to note that we've actually been working on this for awhile.

This is something we've wanted for awhile.

We've worked hard on it.

We had hoped to have it out early last year, but for a whole lot of reasons we're here today with this information.

So we are anxious for your feedback and your level of interest.

If we're on the right track for where you think you want us to go.

We've looked at a lot of other cities.

I always look to arlington, virginia.

I like the way that they lay out their goals.

And so i think there's some similarities in the general formatting.

It is exceptionally important, and you all challenged us when we first met you back in january and february, where are your goals?

What are your goals?

Where is that thing?

So this is our effort to try to get you there.

It's a community goal.

This is not just nhcd goal.

So you will see in here what part of it we believe is our responsibility that we can do, but this is actually much bigger than us.

Very similar to the permanent supportive housing presentation you just saw earlier, this is going to take a whole lot of folks.

There's a strategy behind this and so this is very much a community scorecard so it will take a lot of us working together towards this.

With that the other thing i do want to introduce to you, what this also means is over time you will see our performance measures start to change.

For a long time we've been measuring things by number of units, households served.

We need to get to a place where we're measuring actual outcomes, measurable outcomes, getting the results that we want.

So interesting thing as you guys are going into the budget process, you're going to learn an awful lot about performance measures and we all count a lot of things.

You will see over time we'll be changing the performance measures to be more in line with more and more measurable outcomes.

I don't quite know what that means yet, but i will introduce that to you because you will see our stuff change over time.

With that i'll turn it over to rebecca.

>> so rebecca giello, neighborhood housing and community development office.

The presentation highlights is we first want to touch on affordable housing strategy, what we mean by that in terms of getting to goals and targets.

And then provide you an opportunity to discuss what we are calling a proposed housing plan.

As betsy said, this is a culmination of community goals and it does touch on based on production trend what we believe the neighborhood housing and community development opportunity is and what our target is.

So touching on the production and the reporting and provide you some council considerations.

We want to really lay out the platform for what we believe is a really rich dialogue that we would like to have with you all over time.

We don't expect that you would give us any decision points today, but we would love to hear your thoughts on where we're heading.

I would love to spend some opportunity at the very end to bring erica leek, or powell manager, and jonathan planco to discuss the methodology.

As you will note what i call your 11 by 17 placement that you've now got up there, it is really is embracing a methodology and we want to spend some time there because if indeed that is not what you all believe the methodology should look like we'll need to take time and discuss that so that we can present information to you all in the future.

So i would ask that you just leave the methodology alone for the next 10 minutes.



We'll get through the information and then we'll have that dialogue with you all.

We do believe it's important.

We want to take a moment to let you know that the housing department invests along the housing continuum.

Although we have policy direction that we brought forward to you in resolutions, the permanent supportive housing being crucial, the preservation of 20,000 units, that alone is a resolution.

We have resolutions around ensuring that affordable housing is achieved in transit rich areas.

We also have a community and a policy expectation to our department that we continue to invest along the housing continuum.

And we keep this in mind in terms of how we are laying out our goals and targets.

As you will see it touches the housing continuum from homelessness all the way to ownership, all the way really to workforce housing, which is really important when you start looking at the density bonus developments as well as the codenext rewrite and how those can get us to a place where we are providing housing in all parts of town for all individuals.

There are elements of a sound affordable housing strategy.

This is what I call the three tiered approach or three pronged project that we actually are always accessing to produce affordable housing.

One is accurate, relevant data to set targets and goals.

We do touch on the housing market analysis quite a bit.

We do a housing analysis every year as part of our federal deployment of those funds.

And we are constantly seeking data and research from our partners to ensure that we are working from the best and most recent set of facts and figures.

Innovative zoning and regulations, you're seeing already what we're bringing to you, for example in the planned unit development conversations, the density bonuses that will be brought forward to you.

Always looking to codenext to see how we can have conversations about achieving results, the ADUs, all of these different innovative regulations, what we call low hanging fruit now before codenext are important conversations in this particular area.

And then tools and dedicated revenue.

Thankfully we have at our disposal the general obligation bond funds and those are capital dollars by our department that we recognize is a key dedicated revenue.

We also touched a little bit on permanent supportive housing and what the council has been able to achieve in dedicated revenue there with the density bonus fee in lieu.

But always looking for dedicated revenue and additional tools is very important as well.

This leaves us a framework that we're constantly pulling from in tandem and those are some examples of those i've just stated verbally.

We set a citywide affordable housing goal.

This is something other cities have.

This is something we don't necessarily have a formal resolution on.

We wanted to be sure that you all were aware that the housing market study produced last year states that council should or the city of austin should consider a goal targeted to areas in need, particularly low income individuals at incomes at 25,000 as well as 50,000 per year.

We want to talk about what our fabulous seven are.

This is in no way whatsoever inclusive.

This is really a culmination of a number of years of what we've heard not just from the community, not just from our stakeholders, but also what we've been provided to in the way of policy recommendations by council and we've noted the council resolutions where applicable.

But i have to say, and i have a whole list of them and i know time is precious so i won't go through them, there's probably about 12 different reports over the course of about 15 years that we can site that continue really to look at the housing needs around these specific goals.

I'll go through them one by one, so i won't go too much in detail on this slide.

I do want to take a moment to reiterate some of the things that betsy had indicated.

I kind of talk about this like we are moving into a valley we've not yet treaded before.

We're taking our covered wagons down and there's a little bit of risk there.

And i think in not setting community goals it's easy to not necessarily have to do that community scorecard.

You can't necessarily grade yourself successful if you don't have the goals and targets.

Because we've not set specific goals and targets we believe this is going to be a refined stakeholder process and a conversation with you all.

And we want to just simply say that we believe that there is an opportunity once we present this to you all to take this back to our partners and vet that along with your recommendation.

Goal one is around permanent supportive housing and that was touched on in the first presentation.

What i would like to touch on in this particular slide is based on trend in our protection we believe that nhcd's target here is 50 permanent supportive housing units per year.

Our partners did touch on the fact those need to be really focused on the housing first model.

Recognizing that there's a 400 community goal, 200 of which are housing first, we do understand that this will take continued work from a number of different partners to achieve that.

And that right there on the community goal just highlighting that that would be a 100 a year over the course of four years.

Goal 2 is around rental housing opportunities.

With the community targets being something that we'll touch on with the methodology that has been applied throughout this framework.

Nhcd's target again based on production you see there, 100 units at 30% mfi, median family income per year, 100 units per year, 50% median family income or below.

We envision a framework whereby we would take the goals and targets and we would add another column and then that would become an annual scorecard.

So that we are providing a report back annually and as needed on where we're at in these particular goals and targets.

Goal two is affordable housing rental opportunities.

And you see the community goal there.

Nhcd target, support the production of 100 rental units at 51 to 80% mfi.

Again, really highlighting that it's not just the opportunity that we have to touch on those lower income mfi's, but also with the density bonuses, the codenext revisions, other accessory dwelling unit regulations and beyond, we believe that it's also important to track and to track and report on opportunities to serve those higher mfi's.

Goal three affordable housing ownership, the community goal is there.

Nhcd targets the production of 25 ownership opportunities at 80 percent mfi.

We do this through the acquisition of development and the density bonus programs again.

And again listing those innovative tools and regulatory requirements that would need to be deployed to get that done.

Preservation, we know we have the community target.

The resolution there has been noted and then nhcd targets there are 200 affordable rental units per year.

We want to highlight the regulation for ownership opportunities that we're achieving through the general obligation bonds, what we call the go repair program.

Goal five actually touches on something and what you don't have here is you don't have trend data.

You don't have the production.

And so it's very important to note that some of these goals and targets we've not yet really been tracking.

So we don't have the trend data and we're ready to get started on that.

We want to know that one of the things our department has done is we've enlisted a vista and he's been exceptionally helpful.

We actually submitted a proposal for a vista around this particular project.

And so many of these particular goals are going to have to require the necessary instruments in order to track it, but again, we do believe that this is very important.

A minimum of 25% of affordable units supported by our department we would like to have two bedrooms or more.

[change of captioners]

Goal six, again, creating and preserving affordable units near transit.

This is intuitive.

Nhcd's target is 25% of affordable units supported by the department will be at a quarter mile of high frequency transit.

And seven is around geographic distribution of affordable housing.

This has become very important.

As the performance of the general obligation bond funds become far more in mainstream conversation, there is a need to get a measure and be able to report out on where our siting policies are producing outcomes east of 35, and how we want to define geographic dispersion.

We believe that through this dialogue, that we believe will be more than just today, that there's opportunities here for council.

One, to consider modifications or adoptions of a proposed housing plan that would be comprised of the gaps data, the goals, and a 10 year plan.

This is something that the austin housing coalition and a number of stakeholders have continued to talk to us about.

I've been in housing for six years.

The first year i was there, this was called for.

So we're ready to begin to do that.

Ten to 20 year goals has been brought forward.

We'd like to do a 10 year plan.

Consider codenext in advance of the code rewrite.

Anywhere where we can make advancement to help us achieve results that are noted in this framework would be something that we would want to continue to highlight for you all.

Which is really segueing into the third point, consider short term or quick fixes to regulation.

It would be a conversation we would continue to want to bring back to you in relation to whatever you all deem is an adopted or a recommended housing plan.

This is the proposed housing plan, for, really, continued dialogue.

We expect that this would be something that we would continue to have conversations with our stakeholders.

At this point, however, i would like to have erica and jonathan come up.

I'll leave this here for the public viewing, and they can have a quick conversation around the methodology and how we actually got to where you're seeing the annualized community goals and the community targets.

>> you know, it was brought to our attention, just so we could have a discussion on the dais it was brought to our attention that when graphics are put on the screen, that the

>> captions.

>> kitchen: thank you.

The closed captions are not put on the screen.

And so, our hearing impaired community is not able to hear that part of our discussion.

So, i would just like to ask, do we want to leave this?

It's important to be up there, but it's at the price of not being able to have the closed captioning.

>> i appreciate that.

Why don't we just go ahead and take down that graphic so the closed caption can be shown.

What we would want everyone to know is this information will be available online through the boards and commissions site.

So, if you go to the city's website at [www.austintexas.gov](http://www.austintexas.gov), click on the committees, you'll see the backup.

I appreciate that.

We'll have the closed caption capability.

>> kitchen: thank you.

As a council, we're really trying to address that.

I don't think any of us even connected that that was happening until it was brought forward to us.

It would be nice to have both, is what we're working on.

>> renteria: thank you for reminding us.

>> would you all like to ask questions first, or do you want us to run through how we came up with some of the community goals?

>> renteria: i'm just wondering if you, maybe, on the consult consideration, slide you had, on the proposed housing, it says the dwelling units.

Is that going to help you a lot if we pass that, you know, secondary units in citywide?

How would that affect the will y'all be building more affordable housing in that capacity on your land?

Like, instead of building single family housing?

>> sure.

We have the opportunity on anything that we own.

We would be able to utilize that tool.

We have a couple pieces of property that we're taking a look at now.

For us, any and every tool that we've got is beneficial.

There is no one tool you know, adus isn't going to solve it, puds aren't going to solve it.

But, as dr. Mueller stated, as many opportunities that we have, obviously, adus aren't necessarily affordable unless there's some restriction or funding and stuff.

But, it certainly is an additional tool that would benefit us.

>> renteria: thank you.

>> chair.

I think that there are definitely some sections of this i forget what you call it, a place mat, i would like to dive into more.

But, i would want some feeling from our staff about how quick or how much you want to add by going through each of these things.

I guess i'm sort of indifferent as to whether you run through each methodology piece or not.

I have questions about a couple of them in particular.

But if you for five or ten minutes want to run through each piece, that's fine, but i can also read it.

>> we can speak to it generally and if you have more specific questions

>> casar: that would be good.

>> so, one of the things that you'll notice in the right hand column titled methodology is basically the source of the annual community target.

In some cases, those goals or targets were set by council, such as the permanent support of housing goal, as well as the preservation goal.

We have a target for the go repair coalition.

And then there were there are goals that have been set in other policy documents such as transit oriented development ordinances recommended in the housing market study, etc.

The two main categories in which we really had to move forward and set specific numbers are related to new affordable rental housing opportunities and ownership housing opportunities.

And so, the way we did that is we took a look at the average multifamily and single family production in the city of austin between 2007 and 2013 to get a sense of, you know, how many units of various types are just being produced in the market.

To make sure that we are basing these targets on what's really happening.

So we looked at those numbers, which are in that methodology column.

And then we looked at the percentage of the population that's in various median family income ranges to get to those target numbers of the community goal, where it would be great to have the production numbers to serve the various households at these different median family incomes.

So, we think it's fairly straightforward.

There are probably other ways to go about this.

And we'd certainly be open to hearing questions, considering other ways to go about it.

But that's the general methodology.

>> can i ask you a question about the average annual multifamily production in austin?

It's using the period from 2007 to 2013.

My sense is that we have a lot more units hitting the market since that point.

So, would you guess that our annual multifamily production in 2014 went up from that average?

>> it did go up from that average.

I believe the 2014 was around 9,000 multifamily units, which is obviously higher.

But i think it's a little dangerous i mean, you know, you can decide to go low or go high.

Maybe we should go super high and just say, you know, we want to reach these targets.

We went with a more moderate approach.

But that's certainly something to consider.

>> gallo: and where do you get a sense of 2015 will fall, if you're looking at the first half of this year?

>> i'm not sure that i i haven't looked at how many, you know, permits have been pulled for this year.

I mean, it seems like things are still going strong, but i wouldn't

>> gallo: okay.

>> i wouldn't know specifics.



>> gallo: i'm just kind of getting a sense that, you know, the feeling is that there are a lot of units hitting the ground right now, and will continue to do so.

I'm just curious where we are on those projections, also.

>> i do think your point is well taken.

One of the things that is advantageous is the data center around amanda.

As we're working through this, i think there is going to be an opportunity to refine where we actually land when we're ready to move forward and begin to grade ourselves, so to speak.

But that is one thing we haven't had a chance to consult, and it's one thing the data work group indicated they would want to take a look at.

>> gallo: okay.

Thank you.

>> casar: so, i think that one thing yeah, we might take a look at is ways we can be sophisticated with this formula such that it's just average that number gets adjusted as the years progress to look at the last four years or what have you.

But, i think this question is maybe for y'all.

Remind me briefly, the community target means that's what's does that mean that's what's being developed by partners that are have none of our funding, or that have some funding, but aren't fully funded by the city?

Can you remind me the distinction between the nhcd target and the community target?

I was wondering about that throughout the presentation.

>> sure.

Absolutely.

If you think about the permanent housing presentation, you had they showed how it really took a lot of different partners to be able to reach the community permanent supportive housing goal.

That would be the same for, really, all of these.

And so, the portion of the units that would be specifically supported by neighborhood housing in the sense of getting our funding, those are really the nhcd targets.

So, the other units need to be supported through other means.

And so, that could be changes to regulations.

It could be, perhaps, supported through the strike fund that housing works that's maybe not being called that anymore that housing works talked about last month, or a whole range of other things.

>> i think when i sense community in this particular context, for me, really, the push and where i believe that we have to have our eyes set on policy is private sector developer participation.

And that is where this group, for us, becomes a very enriched forum where we can become agile in bringing forward where our density bonus programs need to be recalibrated so that we can begin to hit targets we've set for ourselves as a community.

But, to your question specifically, for me, the biggest prize in the community will be the private sector participation.

>> casar: and so when you so, an annual community target, you mean income restricted to that mfi and audit, and checked by nhcd, but not class b market rate that just happens to exist in austin that happens to be renting at 60% mfi?

>> i think both.

I think both.

If you take a look at what codenext can produce in an area where you have a mixed product throughout the community, where we're really taking a look at the housing market recommendations, for example, and there is a continued from five years ago, and then now today, there's a continued recommendation through regulations to figure out how to put additional product that is a mixed product on the ground, i think you could get to some of those areas around 80 to 120 just by making available more zoning to produce those type of product.

>> casar: understood.

But, if a property is already zoned by right to be multifamily residential, and it gets built tomorrow, 200 units at 80% mfi, and it just happens to get built north lamar, north of 183 where that's the market rate, we're counting that in in 200, because even though our regulations happen to allow it tomorrow?

>> yes, the community targets, i'm looking to be sure folks are keeping me honest.

Those would include market rate and restricted, yes.

>> casar: so, for example, we have a zoning case on cameron road that's similar.

That would count into those 200?

>> absolutely.

>> casar: okay.

>> we'll be looking at census data on a regular basis to take a barometer check.

But, absolutely, what the private sector what the market can produce would actually we would love to see that included here.

It would include both.

>> and i would add that another segment of these units will be provided by the housing authority.

And so, especially the lower, median family income units, many of those will be units supported by the housing authority.

>> casar: great.

I guess my comment here would be just i know this is really complicated to measure, but i know that we constant at least in lots of parts of my district, we're seeing many units go from being market rate affordable to being expensive.

While there are other parts of town where we've seen rents go downward.

How we keep ahold of knowing what's going on across our city with rents is very challenging.

I think it's really exciting we're looking at this community target that's beyond what we are, capital a affordable, how we know how much net affordable housing we're getting in the city.

I just know that's very difficult.

And i appreciate that work.

And i think that it's our task to go from these sorts of numbers to which i appreciate you bringing forth to bolder, bigger numbers on a yearly basis.

To me, this is a drop in the bucket for us to be getting a few hundred market affordable units.

And i know why you brought these numbers forward, but i would push my committee members.

If this is to include everything, from subsidized, to market built, it's not enough.

>> it's too low.

I'm sorry, did you want to speak?

I was going to say, this is great to have a plan like this.

This is wonderful.

I'd like to see the other end of it, which is what would it take?

I mean, we're showing a need of 48,000.

We're not anywhere near that.

So, i think that i'm not asking for to be unrealistic.

I'm just asking to show us a range.

What would it take to get us closer?

So and also

>> produce in ten years.

>> isn't that what you're asking?

What would it take to get us closer?

>> casar: you guys probably can't solve or tell us today, you know, pass this in that ordinance and we'll get closer.

>> kitchen: yeah.

>> casar: i think while we appreciate this, it seems like we're getting a similar reaction up here.

We want to do more.

>> absolutely.

So, we struggle with this in the office.

So, yes.

We knew folks would want to be bold.

We're very conservative individuals, because bold is beautiful, but bold can be scary.

To put it in context, we went through this exercise in the office.

We're like, what's the number?

This community, in ten years, produced 43,000 new units.

For us to get to 48,000 that's all units, all in.

That's not affordable, that's building permits, things finished in ten years was 43,000.

That's why we all got scared.

We were like, we know the need is 48,000, we should be able to do that in however long.

We've not done that in a really hot market in the last five years, we have not produced that much.

We agree with you.

We would love to be that bold.

But that's just for affordable housing, that's ten times the amount of production that we've had in ten years.

>> well, help me understand.

So, when you say 43,000 in ten years, 43,000 what in ten years?

>> so that would be all multifamily at all price ranges.

>> not affordable housing.

>> no.

>> all units in multifamily.

>> in the entire city of austin.

>> in the entire city of austin, we've produced 43,000 new units in ten years.

Market rate, the whole, all in.

>> so we've either grown so much, or everybody is on the streets.

I'm sorry, we're saying our need is 48,000 now.

So, i guess i'm not understanding.

We must be producing more than 43,000, or all these 48

>> casar: they're all

>> they're cost burdened.

That is correct.

When heidi did the housing market study, the need for 48,000 units is, that's for folks so they wouldn't be cost burdened.

Folks are spending more than 30% of their income, the vast majority are spending more than 50%.

If we wanted everyone to pay 30% of their income or less on their housing, then we would need to have 48,000 units to be able to fulfill that.

>> maybe we need some tiers of need.

That would be helpful.

I would like to see a closer relationship towards between our goals and what the need is.

Because i'm not going to be comfortable putting forward a plan that doesn't get show a closer relationship between what we're projecting our need is and what we think we're going to get to.

So it may be that this 48,000 really needs to be broken down in terms of something.

Does that make any do you understand what i'm saying?

>> i do.

I'm just trying to sort out how to get that for you, because that was a real basic need of folks, the 30% and below.

>> kitchen: right.

>> and really, the biggest part of it was the cost burden piece.

>> kitchen: right.

>> all of those folks were cost burdened.

Can we break that down, are some folks more cost burdened than others?

>> kitchen: you don't have the data.

>> i'm not sure we have that kind of data.

I really appreciate what you're asking us, i'm just having a hard time figuring out how i can get that for you.

But let us think about that.

I know it's tough.

This is what we struggle with.

Everyone runs around with a 48,000 unit number, and we all want to do that.

And i don't know that we have the resources or the bandwidth to do that, but i understand.

>> kitchen: what we need to do is think about what it would take.

That's what i'd like to see, what it would take to get us closer.

We're not anywhere near the 48 if you add these up.

>> one thing to put in perspective is that the 55 million bonds from 2006 produced 34,000 units.

>> hundred.

>> 3400, yes, thank you.

3400.

>> and 2500 were affordable.

>> right.

Usually at that 30% and below mfi, those units really are most often subsidized units, they're least likely to be provided by the market.

We are talking about i don't know, i think we figured maybe 17,000 or so to subsidize one affordable unit.

And that's probably not maybe 25,000.

So, you know, you can multiply 25,000 by 48,000 to get at sort of the cost of doing that.

But it's a lot bigger than our current funding.

>> the other thing, i think, that we have to remember in this scaled conversation because to your point, i don't think that the goal would look like this every year, right?

As we begin to bring on new tools, as we begin as a council and a community to dedicate new revenue, to look at innovative regulations, to deploy all those measures, we briefly mentioned a strike fund as we begin to bring on new tools, those goals can, too, become more aggressive.

I think where we've got to get comfortable with you all and your proposal is realistic goals so that we can leverage that success while recognizing, it becomes more ambitious every year to push this community to support and make those decisions to then create more ambitious goals for ourselves.

And i do want to say, what was really excellent timing for us with this particular group is getting a proposed plan in front of you and having a number of months to work with you before the codenext conversations really become online, because that is an incredible opportunity so that we can start increasing the goals in those targets with all those tools that we're creating.

>> renteria: councilmember gallo.

>> gallo: i was going to say, the short answer to be able to acquire the housing units that are necessary for our growth is that every property that's zoned for housing units will be built to the maximum density.

The reality is that at the pace and way we are building, we're never going to catch up.

We can do the best we can, but that's also why we have such an exodus out of this community for the part of the public that needs the affordable housing.

And we see the surrounding communities developing a lot of multifamily and developing pretty substantially.

I mean, it's just one of those you know, i guess the best answer is, our best goal is to play catch up as best that we can.

I don't think we'll ever get ahead of it until people quit coming.

I'm sorry.

The sound byte there is going to be taken off i'm sure, and misconstrued.

The reality of that is that that is why we have such an affordability issue in this community, is there is far less supply for the demand.

And the demand just keeps increasing at this point.

Now, we have economic cycles and, you know, we'll drop down at some point and that will make some adjustments.

>> that's an interesting point, because the housing market study highlighted about 38,000 units which was the gap for incomes at 25,000 below.

So those who are cost burdened needing price points at roughly 500, \$600 a month.

When you take into the current rent rates, that's what you see the gap climb to 48,000.

So where the market can influence those rent rates, we would see that ability to see a decrease in those numbers just with more available units at particular price points for those income levels.

>> but the challenge at that point in time is, if there's an economic decline, then you often aren't getting new units.

Lending can be difficult.

Things change.

Rents may drop or be more affordable for folks, but there's other consequences when the economy turns, which it will.

Something will happen.

>> casar: so, perhaps, to tie together or wrap up both what councilmember kitchen and councilmember gallo said, perhaps it's not to set a community target that is not realistic or feasible under current policy, but perhaps to continue to help inform us so that we know what decisions we are really making.

Because this is a range, right.

With codenext or adus or what have you, depending on what calls we choose to make, we're creating or constricting the opportunity for there to be certain types of housing and places.



If we understood we're willing to give up some parking requirements in some places, that sort of increases our ability to get a higher annual community target to here.

But if we, you know, need to calibrate that down a little bit, that puts us here.

At least we know what it is that we are causing.

And i think that maybe that is that's why i think it's a good thing for us to have a formula and a number to where we're going.

The critical piece is, what decisions are being made on the dais, how you all being experts in this, predict that it will have to make us walk back our goals or gives us the opportunity to be a little bit more bold because we're willing to make some of those tough decisions.

I think y'all doing that in conjunction with the folks at planning and optics, etc., this will be really important.

>> so my question is, you talked a little bit earlier about the process.

So, can you remind me what the thinking is on the process for the plan?

What's the next steps and stuff like that?

>> well, so our next step would be to sort of vet this with the community, our stakeholders.

We've not really all of our stakeholders have been anxiously awaiting this.

So y'all were the first.

We felt it important to present it to you first.

The next would be to go to our development partners and any other stakeholders we have, see how folks take this.

Again, this is the first time we've done this.

We're obviously i think we've all said it several times, very much looking for your thoughts on this.

Does this look like something does this look right to you?

Does this fit your vision of where you want us to go?

Again, like i said, we started this a year ago.

Thought we were going to have it presented to the last council.

That didn't happen, so now it's you.

Y'all get to own this.

We want this to be yours.

Really, this is a community type of event.

This isn't we're a big part of it, but it's way bigger than us.

I agree with you.

I hope this will be an opportunity for you to make informed decisions not just on the deals we bring to forward.

Puds are a great example.

It will help you in a lot of decisions in other areas, hopefully.

As we make these goals, if we agree these are the goals we want to work towards.

I'm looking to, what would you like our next step to be?

We're going to have stakeholder meetings.

Do you want us to bring this back to you?

What do you want?

I'm going to punt that back.

>> renteria: i would definitely like to see the data after it went through the stakeholders so we can make a decision.

I know that, you know, we're going to be addressing the codenext.

And i really want to see, you know, how we're going to be able to implement that.

And i know that it's going to be a long process.

And we still have to deal with the neighborhood contact teams out there.

And we need to fix that problem first, also.

[ chuckling ]

But yeah.

I really look forward to working with that.

And also, i would like to find out if there are any, like, older tax credit projects that were built, like, 25 years ago that are getting to that point where they're going to hit their 30 year limit and there's a possibility we're going to be losing these apartment complexes?

>> actually, the mark is 15 years.

That's going to be on the riverside.

Erica, you probably know more about that.

You did that plan.

There's a fair amount of tax property along the riverside corridor.

The first opportunity for it to go to market is 15 years.

They can sell.

The restriction lasts for 30 years, but the first time they can sell without penalty is 15.

There's some property along there.

The two biggest things to consider is the tax credit properties and the hap contracts.

Those in our preservation strategy, and we want to retain those contracts.

The oak creek village is a classic example that we were able to preserve.

We've done that with several different ones.

They're definitely in our preservation strategy goal.

We want to keep track of those and see if we can work with folks.

When we get the strike fund, preservation fund up and running, that will be a tool that will be very attractive to either nonprofit or for profit developers for quick capital to be able to acquire those to maintain the affordability long term.

Definitely, we've got those in the inventory, they're listed, we know where they are.

We want to have the capital available for folks to be able to acquire them and maintain the affordability.

>> renteria: if you could give us that information, it would help us.

>> sure.

We've got maps of where all of them are, we sure do.

>> renteria: thank you.

>> in terms of next steps, i'd be happy for you to share this with, you know, stakeholders that you may work with all the time.

But i'm not ready to yet say if whether i think this is the appropriate plan.

So, i would want more time.

I wouldn't want this being put out to the community as something that is our committee's plan, because i want to think about it a little bit more.

But i also don't want to slow down the process of you getting feedback.

So i don't know if you're thinking of maybe tiering your or i don't know what you're thinking of in terms of getting stakeholder input.

>> community development commission will be one opportunity.

>> kitchen: okay.

>> the austin housing coalition is another.

Those are two real frequent opportunities that we use.

We can certainly do this anywhere.

Not that it's going to slow us down.

Our work continues, right?

Our work continues.

This is an interesting way for us to look at stuff.

We never expected that you would walk away today and go, that's great, we're done.

I want you to think about this.

I want to make sure that this is the direction that you want us to go with this.

So we're going to continue.

We'll start with the cdc and with the austin housing coalition.

And whoever else.

>> so to bridge on all of that, one of the things that we envisioned jonathan heads up a data work group in our office comprised of a number of individuals.

We envision that a community scorecard would need to be fed by data experts beyond us, obviously, if we're going to capture that community information.

So, we would be looking at our expertise, for example, at the real estate council, our expertise, for example, at the austin board of realtors, the city demoingfer, a number of individuals feeding a regular report to the community.

And so, potentially, a component of what we bring back is what we're kind of calling a data management plan that's been vetted by those subject matter experts and that would be something that when you see this next time, we would have that plan component laid out in our presentation.

>> kitchen: okay.

Mmhmm.

>> casar: i'm going to get us off the process question for a minute.

Because we were so focused on the goals, and i didn't get down to the bottom of goal six and seven.

I see that those are both percentage based, and i think that that is helpful.

But i also wonder if, you know i know you guys have thought through this a lot, but, maybe you can give to my office some reasons we may or may not want to have also numeric goals around that.

I understand 25% is a good thing of what we develop.

But, also, is there a way to measure the overall production, if it goes down or up, that there's still some goal of how many people we want near those developments.

The same issue being around geographic dispersion getting to 10% in different zip codes would be, i think, a positive thing.

But how many units are we shooting to get in high opportunity zip codes where you're under 5% affordable housing?

How can we really target to make sure we're getting affordable housing in the places that really have the least of it?

Because i would really like to see that broken down between what our goal is and some of those high opportunity areas that are nhcd versus community partnered housing.

I think that will push this council on the decisions we have to make if we say, we want this many units that are community target units in some of these high opportunity zip codes with no affordable housing.

If we set that numeric goal, as we chug along towards 10%, i think that setting that plan and getting the community to get on board with that plan will put in context some of the decisions we have to make to make that happen.

>> kitchen: right.

It puts it in context of as councilmember gallo was talking about, it puts into context, you know, some of our decisions around zoning and development and that sort of thing.

>> so am i hearing that you would like to see we can get this information, zip code by zip code.

In my head, i see a chart.

List all the zip codes, and we know the percentage.

From there, you'd like to see potential, maybe, goals by zip?

We have a generic.

We thought if we can get to 10%, that would be a nice thing to do.

That's huge for us.

Am i hearing you'd like to see a chart zip code by zip code where we're at so we can, as an addendum, it changes all the time, but, would you like to see the list?

>> casar: we could do that, but, for me, it's less that and more is there a number of units that we would want to see put into certain high opportunity zip codes?

It doesn't have to be the particular high opportunity zip codes.

But, instead of this being 25%, we can break down some of the numbers here and say, how many of the numbers near the top of the chart fall into some of these

>> some will overlap, right.

>> casar: you could say

>> two or three categories.

>> casar: even though we're shooting for all zip codes across the city to get to 10%, we want to shoot for i'm just putting an arbitrary number out there right now.

50 units a year going into the zip codes that have less than 5% affordable housing.

So that we are being targeted about which neighborhoods are essentially gated communities for affordable housing, and how are we being, in a targeted way on a yearly basis, chipping away at that.

Don't take this as me saying go out and do that.

Take this as me saying this is a reaction i'm having to seeing this, and we can have a continued conversation offline about what that would look like, and how it may or may not work.

>> interesting feedback.

Thank you very much.

>> may i add one little tidbit to that, also?

Is that one of the things i see when we talk about adding more units, particularly new development units and to some of what you call the high opportunity areas is that those areas often are overpopulated in their schools.

And so, you know, we hear on the council a lot of concern from neighbors who say our school districts particularly in building the family units, which we certainly have a need and a demand for.

But i think bringing the school district into the conversation, because it's difficult to overcome that voice saying, "we don't need any more family units in this area because our schools are overcrowded."

It's so interlocked.

Maybe even within the zip codes, there could be evaluation of where the school districts are, particularly the elementary and middle schools, with overpopulation.

Because that becomes as much of a component of the discussion as anything else when we're trying to get those units built and provided in those areas.

>> casar: and i think that if this council were to be so bold as to honor the angels of people that are on the school boundaries advisory committees, because, obviously, we are all sort of in this together.

And you wind up with overcrowded schools, or changed boundaries, or what have you.

Obviously, the reason a lot of people are going to some schools is because they're very good schools.

How do you choose who gets to go to a good school and who doesn't?

Again, i think putting together a good plan that will help empower us to make those tough recommendations and tough calls.

And so my hope is when we make the pitch about this plan, once we are in it, that that empowers our staff to come and start bringing us recommendations based on the plan saying, you set up this plan.

Council adopted this plan.

If you want to implement it, we recommend that you take, you know, step a, b, or c to actually do that.

>> how about if we come back in three months, 2 3 months?

We'll go do what we do and talk to as many people as we can think of to include not the usual suspects.

I think it's important for us we have the usual suspects that we often speak to.

We need to figure out how to speak to the not so usual suspects as well.

Does three months seem okay, and we can give you highlights of all that feedback?

Does that sound reasonable?

Okay.

Very good.

>> renteria: that sounds good.

Thank you.

So, we're now at item 4.

>> i think i do.

>> a presentation?

>> okay.

I have the distinct privilege of introducing the next person for you.

I often tell people i am a retired not a retired, i'm a recovering social worker.

25 years ago, i went into people's homes and tried to do the best to help.

And so in that, i did a lot of different things.

And the struggle with that was, you go into someone's home, get all their information, see there's other stuff they need.

Back then, we had to refer people to a hundred different places.

Unfortunately, things haven't changed all that much.

Not a social worker anymore, but it's always been at my heart.

When i came to the city of austin, it was my hope that we would be able to have a more consolidated delivery method for just what we do in our department.

At that point, i wasn't necessarily looking outside of ourselves, within our department how we could deliver services better.

10 15 years ago i landed in housing.

That's a beautiful thing for a social worker to be able to figure out how to produce housing for people.

I had the privilege of working for a nonprofit housing developer for eight years.

I have a true heart for very comprehensive delivery service.

And a very healthy home for all people, all folks.

So, about 18 months ago, my staff went to a conference and they met ruth, the lady you see before you.



She has dedicated the vast majority of her it seems like adult life in an initiative called green and healthy homes.

Nine months ago, we entered into a contract with that initiative to help the city of austin figure out how we can do what she has mastered doing.

I won't say a whole lot more.

What we showed you on our goals, i want you to understand after you see this presentation, it is my hope that we really have green and healthy homes philosophy throughout all of the goals that we do.

You won't see a separate goal, but, i hope you see that throughout everything we do.

With that, i will turn it over to ms. Norton.

>> thank you very much, good evening, thank you for putting us on your agenda tonight.

I know you've had a long session here.

Do i click this right here?

Great, it's not in front of me here.

So, i'm ruth ann norton, president and ceo of the green and healthy homes initiative.

And just to give you a very quick background on who we are, next year we will celebrate our 30th year of service working to break the link between unhealthy housing and unhealthy children.

We actually started out as a lead poisoning prevention program in the city of baltimore, maryland.

Founded by nine parents whose children were in the intensive care unit at johns hopkins hospital battling the twin tragedies of the distressed housing in low income neighborhoods and sick kids.

And from that mission that they set out, we have over the past several decades i joined the organization in 1993, and i'm a recovering economist.

I don't know how i got there in that sense.

But, we have expanded well beyond the work of lead poisoning prevention in maryland where we have reduced lead by 98%, going to less than several hundred kids a year.

But, we began to understand that fixing one problem in a home was not the answer.

And that when we were repairing lead hazards, we were still leaving behind kids and families that suffered from asthma and injuries, carbon monoxide poisoning, radiator burns, as well as destabilization of housing that was energy inefficient.

And so, we began to try to heal that fractured system in the housing work that we do now in 21 cities around the country.

So you'll see our two mission statements here as we move from the coalition to ghhi.

And our movement to ghhi's framework was inspired by the investments that were made under the american recovery act in weatherization

And the opportunity that we had to actually attach health based housing to the largest rehab program in america.

But to also show that in doing energy efficiency, which is critical, if you didn't address health and safety, that most of the families who really deserved and needed this funding wouldn't get it if they had housing issues that often were undermining them and sending their kids to the hospital or other issues.

In the u.s. there's about 9 million families, according to the u.s. department of housing and urban development, that have this intersection of environmental health hazards and energy inefficient.

9 million households in which kids and seniors are going to bed every night with health risks and destabilization of the energy cost.

In the u.s., we spend about \$100 billion of avoidable cost on just the lead poisoning, asthma, and fall prevention issues, not to mention the exacerbation of energy inefficiency.

And as i said earlier today, i was at a conference yesterday that was actually held in baltimore for the energy and utility organizations around the country.

And they said on our current track, if we didn't find a better way to do things, it would take us 10,000 years to address the number of houses that need just weatherization in this country and to do it right, we have to change how to scale this in a more efficient way and effective way.

And that's one of our goals, is to do that and to be able to bring more investment.

If you look at the stats in front of you, asthma, of which 40% of the asthma cases in united states where children go to the emergency department in the hospitals, according to the robert wood johnson commission on building a healthier america, are triggered directly by the home environment.

And that's the number one reason kids are missing school.

It's the highest medicaid cost we pay for low income children in this country.

But it also translates into missed work opportunities for parents who have to stay home and care for their sick children.

So, i'm a storyteller.

I like to talk about families.

And i hope a year from now that i will get to know a little bit more the families that are here in austin.

But let me tell you about this young man.

I'd like to say we only allow cute children into our programs around the country, but this is dewayne davis who i met in 2009 when his mother called my office on a friday evening.

It was 7:00 at night.

She said, i'm so glad to get ahold of you, because i'm about to lose my job.

And i said, ms. Young, we are not a workforce development agency.

But i can help you get in touch with people who can help you with job placement.

She said, you don't understand.

My son is in the hospital with asthma repeatedly.

I've missed so much time at work.

I'm unable to fix it.

I've tried to apply for a myriad of grants and keep getting turned down.

She couldn't get a weatherization grant because she had mold, mill due, and moisture in her house.

She couldn't get a lead grant because she had poor weatherization issues.

She was being turned down because the house was not being addressed comprehensively.

And this example was so much like what we were seeing for families who were being forced to miss almost 23 days of work just to hunt to five or six different grants they needed to solve the common problems that are facing low income families in america in unhealthy housing.

You can see here, old carpets and mold and lead, and poorly working mechanicals.

So, we began to apply the green and healthy homes initiative program for families like ms. Young and others in baltimore.

And it was to really address this fractured system where you have 238 just federal programs that have housing intervention funds attached to them through various places, including the department of agriculture and treasury, as well as the health and human services and hud.

Families having to figure this out is inefficient and ineffective, and often leads to the questions and the needs not being solved because the exhaustion sets in comes in before they are actually able to reach all of those programs.

So, we began to look at a way that we could change that by aligning federal agencies and we help to inspire the work and the start of the federal interagency work group on healthy housing.

It's 14 agencies that are now working together to align program standards and funding around green and healthy housing.

And then to teach communities how to braid not blend, but braid programs that can work together and can sequence together while meeting all of the guidelines to better leverage our opportunities, to have a complete answer.

And, in fact, to save municipalities, counties, and states about 20 to 25% by working more efficiently in funding in.

And this be how to then how to coordinate these activities on the ground so it is much more seamless, much more effective.

Allows us to do more, faster, more effectively, and have a higher quality assurance of the end product, to use housing as a platform for health, economic, and social outcomes.

We look at it as a no wrong door approach.

Someone may have a pest problem.

They may have a roof problem or an energy efficiency problem.

They may be looking to adopt through foster care.

Whatever gets someone into a program where we have to send out an assessor or have a housing solution to it, this allows that person coming in to not have their house solved for one problem, but to have these services coordinated and looked at comprehensively.

We created an assessment looking at energy and the 29 elements of healthy housing through the healthy homes rating system supported by the u.s. department of housing and urban develop.

The program is also focused on data collection so that we can prove the return on investment so that we can look at where the gaps are and be able to share this data amongst agencies and partners.

So it is driven by a partnership that learns together and works together with evidence based practices addressing those things you see in the green box there as the core issues, but not the only issues that will get addressed.

And in that, you see at the top, it allows us also to bring in two other areas of investment.

Potential investment by philanthropy to help fund data, convening, and what we call outcome brokers, the person who is driving that work.

And the private sector through newer investments through social impact bonds and pay for success.

So we're able to better pay for outcomes of things that work here.

And just to date in our other in our first 14 sites where we started ghhi, we brought in \$80 million of philanthropic investment in support governments.

And other interesting ways of bringing in money through attorney general's settlements.

It opens the door for lots of creative ways to augment programs.

But, if we go back to the young family and dewayne, her son dewayne, we were able to in six days draw down on six different programs and actually for 25% less than it would've cost to do it individually, we were able to solve for all of the issues that were impacting the health of the family, the mother's ability to go to work, and the son's ability to go to school.

And so we moved dewayne from the er and into the classroom.

Here it is in 2015.

He's never been back to the emergency room, to the hospital.

Mom is now not only she moved from an administrative assistant in the police department to a detective.

And they now have a savings account for college and a retirement account.

And they're able to afford their home, which is the outcome that we want for every family in baltimore, in austin, and in the many places across the country that we are moving trying to move this mission.

Our data on the first phase of housing that we did, 2010 to 2013, in our startup phase, we showed a 65% to 70% reduction in hospitalizations.

You can see the decrease in the calls to doctor's offices and urgent care, removing kids off of emergency medications to better medications.

We're also improving parents' ability to get to work, improving energy costs.

And we're lowering maintenance costs.

And i think most importantly, stabilizing families so the kids, young children, can be in a home where they're not fleeing from problems, but instead, going to bed at night able to sleep and arrive in the classroom healthy and ready to learn.

We've got cost savings for government, and improved wages for contractors who we've been able to cross train to look at energy, health, and safety together.

And that was a study done by cornell university.

The data that you see above has been looked at by hopkin, columbia, morgan state, and others.

We have a published study we can share with you.

Some of our national partners include the conference of mayors, who met this past monday for the third time, unanimously supporting a resolution for ghhi as one of the most effective programs in housing today.

But we also have the great level reading campaign that's moving throughout to the country in 163 cities to advance getting children to third grade reading proficiency so they have better outcomes, along with our federal partners and state and local partners around the country.

This is where ghhi is today.

The green sites are those sites who have met the criteria to receive designation.

Designation is rather important, because our standards, practices, and principles have been adopted by federal agencies who now reward preference points if you follow these practices.

The yellow dots actually represent cities and counties around the country who have asked for through authentic demand to bring ghhi to their cities.

Austin is part of the onboarding team currently going forward.

So really, when we think about this intersection of resources, we're able to broaden the conversation and the outcomes, and the potential funding around these issues, around family health, around energy efficiency, around housing affordability, and educational outcomes.

I was talking to a group earlier today and i said, you know, we have \$25 billion, billion, spent by philanthropy every year on educational outcomes that cannot be achieved if children have lead poisoning, asthma, and they're not in the classroom.

In fact, our organization is austin funded in our baltimore work out of educational outcome portfolios.

But it's also allowing us to do some very interesting things around social impact bonds and pay for success, because the data is so compelling.

And one of our goals is not only to potentially bring in private sector investment on the outcomes through pay for success, but to also change medicaid policy and the expenditures of managed care to pay for these root cause remediations that are happening every day in the housing agency here in austin that are improving the lives of people in austin and lowering healthcare costs and aligning with the goals of the healthcare systems today to keep people out of the emergency room, reduce hospitalizations.

So, there really is huge opportunity by having this shared platform around data and evidence based practices as well.

We are moving to about 60 sites by 2017.

We're working with hud on a review of 300,000 housing units that meet this criteria to continue to push that data on a federal platform.

We're currently working on six social impact bonds, one with hopkins healthcare, and then we're in massachusetts, tennessee, michigan, new york, and i'm going to forget the sixth one at this point.

But we're all of that work is all based on the evidence based practices.

And i know that there's opportunities for that.

So, the pay for success just very briefly i'm sure you all are somewhat familiar with it becomes a very compelling case out of housing.

Not only the work that's being done here on supportive housing, but, when you have the outcomes on asthma, the reductions in lead poisoning, the increase of energy efficiency in lowering energy costs, but also the improvement of getting kids into the classroom and the workforce development opens up a field of opportunities for investment based on data.

So this is just a little recap of the model that we're working on right now, where we have secured \$10 million of investment through a social impact finance firm that's located in maryland.

We also have a wall street funder that has joined us, as well.

And this is a transaction that is slated we received the guarantee it has not closed, but, by the foundations, it's the first time robert wood johnson is getting into this field through this work, because they have a huge stake in the cross section of housing and health.

It is being evaluated by the medicaid cost record agency, which is the university of maryland baltimore county hilltop center, has been vetted by the actuarial for cms and most of the major health systems in america, but effectively will provide, for \$10 million, to have healthy, safe, and energy efficient housing for 1800 patients for the hopkins healthcare system to return save dogs that healthcare return savings to the system and medicare dollars.

Government is not even

[ ] 6:00 pm

>>> medicaid dollars.

What is direct about this is government is the director, not the savior for our families in this transaction that is expected to be a six year transaction and should close in early fall of this year.

And social finance is the intermediary and i know they're working on some work here along with third sector here in austin.

But this just gives you a flavor of the other opportunities through pay for success.

And this is just an example of some of the others that have closed.

It's a very nascent field in the u.s., coming from the united kingdom.

There's about seven transactions that have closed.

There's about 123 that are in the hopper right now.

Based on an award that we got and seven other organizations got through the white house initiative for pay for success, that is moving some of this marketplace forward.

I just also wanted to point out on this one slide, if you look at the return on investment there's a ton of evidence based data that's been done on health based housing interventions.

I'm sure it's all common sense to thaws if you reduce mold people are going to breathe better.

If you improve indoor air quality, if we put radiator covers on we'll prevent kids from being burned.

For every dollar invested in asthma reduction in houses, you get about a five to 14 dollar return.

And for every dollar invested in lead poisoning prevention and lead hazard control you have up to a 221 dollar return on investment.

The majority of that is long term lifetime earnings, but that \$17, which is a really good return, is the government cost alone that's faced by local government.

So this is just where we are moving in terms of trying to get the healthcare system engaged and the education system, but we need to show the evidence of scale and we need to show the evidence of how we can effectively braid work and what we know about green green and healthy homes and what we have heard around the country and places like providence where we have partnerships and in 20 other cities is that this weeks.

And today the state of rhode island is now the ghhi model moving out from the city of providence, which i still think is not the size of austin.

It's pretty tiny up there.

But they have engaged heavily and the state government is now funding the work of the outcome broker and the learning network and the attorney general in rhode island because they know that it



works, but what you see here is the smattering of utilities and healthcare, non profit housing providers and government working together.

I won't take you through this program flow, but needless to say this starts in the beginning in intake, looking comprehensively at the house and at families, and engaging both assessment and education together and keeping that education all the way through intervention and then post remediation, driving home the role of behaviors and of housing structures together.

And when you're able to couple it in realtime where people see things changing in their environment is just far more effective.

So here we're looking at austin and the large stock of housing built before 1980, and even the large the large piece of housing built before 1940.

And the problems that are faced are like problems throughout the country, where health based housing solutions really are critical to have long term stability.

So these are the basic elements.

There are eight elements to a green and healthy homes and energy efficiency was added to our industry and the healthy housing industry in 2008 when we lifted up ghhi.

It's now become the norm of bringing these together and in fact the non energy benefit of energy efficiency have really taken hold in that realm of the world and the department of energy and others have added healthy housing to their mantra.

So there's seven steps to basically becoming a designated site.

I was very happy to meet with your mayor earlier.

Part of that is to get the mayor's office council, the non profits and the government agencies together around a compact.

Once we have put all of these pieces in place to have a streamlined system, that is trackable and accountable and efficient for families and the recipient of services, but also for the housing agency itself.

So we're hopeful to see that happen relatively soon and we're also happy to tell you that come november we're going to descend here with several hundred people from the other green and healthy homes sites who were asked where they would like to come and they wanted to come see the newbei in the city of austin and we'll be bringing them here in the beginning of november.

If i could, i would like to just introduce my colleague in the back, herish fernandez, who is his day to day job is taking care of the work in austin and so herish is the senior technical assistance specialist on this work who joined us last november from amazon.

And came to do this work with us.

Happy to take questions.

And i'm very glad to be here.

Thank you very much for having me.

>> renteria: members, any questions?

>> kitchen: could you tell us a little bit more about the project in austin?

So i think you had a slide about the process, so could you tell us more about maybe you could tell us more about

>> do you want to start and i'll play color commentary.

>> so we did start with ghi to start this whole process.

We have about \$1.2 million in our holly mitigation fund.

So it is our intent to put an rfp out for the non profits who are already doing the go repair activity.

That's how we administer the go repair program is through a nofa.

What we thought we would do is use this opportunity to put that money out in the form of a nofa and experiment for lack of better words, with this process.

So the ghhi folks came down in march, met with all the northwesterns.

We already have a with the non profits.

We already have a working relationship with austin water.

We administer their private lateral program.

We've invited austin energy to be a part of this nofa.

We've invited the health department to be part of this nofa.

So this is our opportunity to experiment with how we can have a more consolidated process and from that we can learn how we'll see we can be able to learn how to get to this.

What we've not done

>> kitchen: you nofa?

>> notice of funding availability.

That's how we invite folks to bid on doing our work.

>> kitchen: got it.

>> from that exercise we want to be able to experiment with a consolidated application process, figure out how we braid funds together, how we can if we could all go to the house at the same time, that would be huge.

So that's what we're hoping in this nofa in this

>> kitchen: i got it now.

[laughter].

>> in the opportunity to be able to utilize these principles and see how we can all work together, learn how to share data, learn how to measure outcomes.

That's another big piece of this that we have got to figure out.

Like i explained earlier in the afternoon, we've been counting widgets, five houses.

We've not measured outcomes.

We'll have to demonstrate to these folks that we can figure out how to have measurable outcomes.

So the health department will be so important to us.

We need someone who can actually go into the house and do the survey results and go back and do the follow up so we can get the information we need.

So we're just kind of in the middle of this whole process.

>> kitchen: okay.

So you work your way through that process and that gets to the compact signing.

Is that what you were referring to?

>> well, we lost our slide there, but yeah, the what gets you to the compact is putting in those examinations and practices and principles.

Piloting it out is a very good way to get there and see how you can move this forward.

The work plan is part of it.

There's if you look at number 3, the idea of the outcome broker, we believe that you really have to have somebody who is driving this platform and coordinating the various programs together in assuring the quality assurance of how you do that.

So we think if we looked at all the success in cities to date and the ones who have done it having this in line is very important along with how you're doing data collection in a way to drive the and to be able to identify what your gaps are so that you know where we either need to repurpose, remanage or solicit in

support because every no matter how good programs are, and austin has a very, very good program, there's always a gap or a need.

I was listening to your 48,000 housing units before.

We'll solve that next week, i hope.

But how do you address the gaps in a smart way to do that.

>> kitchen: i think this is a very exciting program.

I would like to talk with you more about this.

I want to say i'm excited to see this happening.

>> thank you.

We are too.

We look forward to the day when a doctor writes a script for a kid who has asthma and the script is to go fix the house.

>> kitchen: i worked for many years in the healthcare field.

What you're saying is resonating.

>> renteria: can you remind me again are you going to restrict this to the holly boundary?

>> just right now, just in this pilot, because that's money that we've already that we've we've tried to get this money out the door.

We've been challenge and we thought the last piece we would do is put out the nofa for the non profits hoping they can be able to do it.

And then this opportunity came along.

Actually, it was my staff that thought this is a great opportunity for us to mashry in these principles.

It should be stuff we're looking at anyways.

Get the nofa out, get the people on the folks who are working there to get there, bring in the partners and see if we can figure this out.

We all wanted it and it's not an easy thing to do.

It makes sense.

We should be all doing it.

It's never easy to do.

This is a great opportunity for us to get out there and try to work out the kinks.

See what we do well and don't do well and hopefully then launch it to our other programs.

We're only now practicing in holly so we can get better at it and take it to all of the programs that we have.

>> renteria: okay.

I know that there's been a lot of remodeling in that area where a lot of these homes are being bought and they're building new big structures in that area.

So i was just wondering ahave invested a lot of money in that, especially on home repairs.

To the point where we even tore down houses and built brand new houses because it was to the point where we couldn't it was beyond repairable.

So i'll just i want to make sure that you get some of the select some of the homes that haven't had these programs.

>> absolutely.

>> one of the inspirations for doing this work and coming from the healthcare field, some of our most challenged families and sickest families in the united states are living in distressed housing.

If we can move the needle on that we start to move the needle on a lot of social determinants.

I think we share your value in getting into hard challenge houses to use as an opportunity to build out.

>> we have these little homes further down santa maria, and these little homes are really are covered up from little shacks that were there for in the 30's.

>> with the holly pilot, the guidelines will remain the same.

Someone had to live in the home prior to 2001.

We're not changing any of that in this pilot.

This will ultimately go to all of our rehab projects.

We will not if not through the holly pilot, but other the other programs target people.

>> kitchen: i think this is a longer conversation, but if you had more funds could you do a broader pilot?

It seems so small to start?

>> yes.

>> renteria: thank you.

>> i think on a question like that we ought to say thank you and leave and good night.

>> renteria: all right.

We'll move on to item 4 no, we just finished 4.

Item 7.

>> just the finance corporation, upcoming items.

I just have three here in my book.

You're probably familiar with at least two of them.

There will be the public hearing for the aldridge 51 project.

You've probably heard that several times now.

And so the actual i think last week you had to set a public hearing, so in august you will actually have the public hearing.

I think you also heard at the last council meeting the item was not we hadn't brought it forward, but you heard about the chicago con property.

We willing bringing forward an item that we're requesting an request to fund that project.

And then the last one oh.

In august what we bring forward every august is the tax credit projects.

So it is our expectation that luckily we'll bring two items forward.

They have not yet been approved to tdhca, but they will be doing that this month or next month.

Assuming that they are successful we'll bring forward for final approval for the financing that you all committed back in february, very first item we brought to you was the tax credit items.

So we're hoping that two will actually be approved by the tdhca board.

And then we have to bring those back for final approval.

So that's what i have for you in august.

>>

>> renteria: thank you.

One quick question on the chestnut neighborhood.

Was that the one that was pulled?

>> yes.

It came forward as a land trust item and but in that i think we let folks know we would be bringing forward in august this loan commitment.

But that item that you saw a couple of weeks ago offense the land trust designation.

>> renteria: thank you.

>> chairman, just in final closing, it was brought to my attention some of the presentations tonight are not yet posted on the website and we will have those posted as well as all backup material no later than tomorrow by noon.

>> renteria: thank you.

And that brings us to the final item, the discussion of future agenda items, if there's any that we would like to discuss, any items or post any items.

And if we're not ready here today, we can always post them later on.

With that, any other?

Since we have no other items, do i have a motion to adjourn?

All in favor, aye?

[laughter].

Thank you.