

Housing and Community Development Committee Meeting Transcript – 09/23/2015

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[1:59:59 PM]

>> Renteria: Good afternoon. I am councilmember Sabino Renteria. A quorum is present so I would call this meeting of the housing and community development committee of the city of Austin council to order Wednesday, September 23rd, 2015. We're meeting in the council chamber, Austin city hall, 301 west second street, Austin, Texas. The time is 3:15. 3:15 P.M. First on the agenda is the approval of the minutes from the August 26th meeting. I'll give you a minute to look at it and then will request a motion for approval.

>> Casar: So moved.

>> Seconded.

>> Renteria: Motion has been made by councilmember Greg Casar, seconded by councilmember kitchen. All those in favor raise your hand? It's been approved 3-3. Now we'll move into the next item, which is citizens communication. And first to speak is sandy nanda.

>> Councilmembers, thank you again for your time. Hope you're getting used to seeing me up here. I wanted to talk about the proposed three percent cap by property on downtown type 3 str's. If that's passed, it will basically be a virtual ban. Right now there's only -- the reason is because very, very few buildings allow str's.

[2:02:04 PM]

And that's evidenced by the fact that out of 4300 multi-family housing units downtown, there's only 56 type 3 str's. And there have been zero new licenses passed or applied for in the last 10 months. So that's 1.3%. There's another 3143 units being constructed currently or planned, which almost none of them are likely to allow str's, which would mean that the percentage would go down to .74%. If the three percent cap by property is passed that will result in about five to six type 3 str's basically affecting 90% of the current operators. And this is the complete opposite of what the mayor was speaking about yesterday where he said we only want to affect 15% and kind of leave 85% unaffected. The constant references made to the commercial zoning, and that's where str's should be, all of these type 3's that I'm talking about with the amendment resolution talks about are commercially zoned and they provide a valuable option for people to be near event centers. So on the next page if we ban type 3 str's basically downtown visitors won't have very many options to be near event centers, which will drive them to the neighborhoods which will cause more problems. Demand for type 2's will also increase which will result in unlicensed operators during big events and of specific relevance to this committee is that it will really just move any housing issues that exist out of downtown into the neighborhoods. So it's kind of like a

balloon, when you press it, you press one part in and it expands somewhere else. If you go to the last page, the alternative options, the first is -- these really treating type 2's and type 3's equally. Instead of a cap by zone, which would be equivalent to what is happening with the type 2's, and the other one is to treat type 3's equally, exactly the same as what you did with type 2's and just suspend new licenses and kind of wait a year and see what happens.

[2:04:20 PM]

And I think there's a kind of concern about clustering. But that exists with the type 2's too and they were grandfathered. So just to reiterate, a three percent cap by property is really a total ban, pretty much, and I would urge the committee and council to treat type 3's equally with type 2's. Thank you very much. I think my time is over, at least according to my phone. Does anybody have any questions? I know I've talked a lot about this and it's kind of confusing to me even.

>> Renteria: Any questions? Ms. Kitchen I have a quick one.

>> Casar: I think we're limited on asking questions during citizens communication, unfortunately legally because we aren't posted to discuss str's, I think -- we're unfortunately pretty limited on what it is we can do in council or in committees.

>> That's fine. I'll stay until the end of the meeting and answer any questions you have.

>> Casar: I think that's totally legal and kosher.

>> Thank you very much.

>> Renteria: Lana Alonzo, next speaker.

>> Hello. My name is maria Alonzo, and I wanted to introduce myself. I just became vice-president to the Springdale airport neighborhood association, and during our recent meetings it has come up that a lot of our community members are really, really concerned about affordability in east Austin. We're over there, 183, Springdale, airport, kind of trifecta, and just wanted to introduce myself and say I'll probably be coming by whenever I can. Thanks.

>> Renteria: I'm sorry. The way it was written I couldn't read it.

>> It's okay. My handwriting is bad.

>> Renteria: Thank you. That's the last speaker that's signed up on citizens communication.

[2:06:26 PM]

Now we're on item 3. Which is a briefing on the housing transit job works land by the city's staff housing transit and action team.

>> Good afternoon. I'm Erica leak with neighborhood housing and community development and this afternoon Scott gross of the transportation department will give the presentation on the housing transit jobs action team. And there are numerous participants in that group here today. So if you have any questions following the presentation, we'd be happy to answer those.

>> Thanks, Erica. Again, my name is Scott gross, a consulting engineer with the transportation department. One of my roles as a member of the housing transit jobs action team, I am joined as Erica mentioned by other members of the team, including Erica, Christine frendle from economic development, Jim Robertson from planning and zoning, Jonathan tomco from neighborhood housing are all here. Joining me. The presentation? So this will be real brief. I'm just going to go over kind of what the action team's mission is and our action items that we've come up with. And a couple of them we have some updates. Our mission is really to address affordability, transportation, economic development challenges in a coordinated manner. It's to align different things that we're doing with codenext and with federal criteria in some cases, which makes us more competitive for federal funding

in terms of transit, but also achieves much of -- many of the visions of imagine Austin. Our history dates back a couple of years, maybe a little bit more than that, two and a half years.

[2:08:31 PM]

We had an informal TOD working group that Christine Frenkle when she was with planning and zoning helped initiate, where we were looking at TOD's in particular and how to incorporate affordable housing and how to overcome some of the regulatory barriers to making TOD's really more effective. That kind of morphed, I guess, into the housing, transit, jobs action team when a couple of councilmembers from the prior council started to get more engaged and had some particular questions related to the urban rail program, of which I was a part of. In particular how we were planning to deal with gentrification effects. And one of the things that we pointed out was that one of the -- that one of the benefits of a fixed guideway type transportation solution is it provides a real anchor, a physical, permanent anchor, by which to leverage lots of other investments in a way to focus investments and a way to address things like gentrification that are happening anyway, but there was an opportunity to bring a real affordability component in terms of transportation savings, but then also additional federal dollars in particular to bear on this problem. So that led to a resolution in March of 2014 that created formally the housing, transit, jobs action team, which is an interdepartmental team, but also inter-- multiagency team, including Capital Metro. So neighborhood housing, planning and zoning, economic development, transportation, capital planning and Capital Metro are kind of the lead agencies, but we've had representation from Austin Resource Recovery and other departments as well throughout our two-year process thus far.

[2:10:34 PM]

A lot of what we're facing I'm sure you're no stranger to, but really what a lot of these point out is that there's a lot of overlapping problems that we're faced with where the housing is affected by affordability, which is affected by transportation. All of these are kind of rolled up together. And one of the things that the housing transit jobs action team was focused on was -- all the problems are mixed up together, but we've continued to have a more siloed approach to solving really a much more complex and interconnected problem by doing one thing over here, maybe as just affordable housing or maybe looking just at transit, for instance. So this just kind of goes over the documentation there, but really what we've recognized and what the resolution focused on was that by working simultaneously on housing, transit and jobs together that that was a direct path towards affordable care act. These maps just kind of give an idea of where we're headed with it. Once you start to overlap them you start to see where opportunities are and where we may and may not be in alignment with a lot of our investments already. I'm not going to go into great detail on this but I will touch upon it and it underpins a lot of our action items. Again, a lot of the challenges that we face, a lot of the threats, do present opportunities as well. Transportation very much at the core of that. That as the most economically segregated metropolitan area in the country, one of the best ways to overcome that is via transportation investments. That is one of the most beneficial ways to improve social mobility. It's one of the most important ways to address affordability. Affordability as you know, it's not just a matter of housing, but also a major component is transportation.

[2:12:42 PM]

This is maybe a little bit out of date now, but it was very important to be able to put the housing transit jobs action team into context with imagine Austin. You know, there's an excerpt from the resolution

itself, but really housing transit jobs operated outside of imagine Austin directly, but was really focused on codenext ultimately and a lot of the action items and the recommendations that we have are looking to fill kind of the gap in the regulatory gap between what we have now, our vision, and codenext, which is still a two to three years or more off. So that there's a lot of still regulatory or code things that we can do now to try to bend the curve on affordability and to address it directly without simply waiting for codenext. But housing, transit, jobs is really a way to align a lot of other investments and other of things that we're already doing by bringing them together to implement the imagine Austin vision. And again, another graphic that kind of lays out the integration approach. So really on the left there's a lot of the implementation elements of imagine Austin and it's really getting a lot of these things aligned so that we can achieve all of the goals of imagine Austin. One of the things that we did initially was a diagnostic of regulatory barriers, if you will, and policy barriers. We also did a lot of looking at best practices in other cities. Housing works, and Mandy Demayo is here from housing works, organized a virtual workshop for us with four other cities or three other cities around the country to look at what they're doing to address affordability, maybe with more of an emphasis on housing. But we had a number of key takeaways.

[2:14:46 PM]

You know, an effective use of a housing trust fund, various community investment programs that Charlotte was using related to acquisition and rehabilitation, subsidies, especially land acquisition. Denver was doing a strike fund model and that's something that's come out of one of our action items and that is actually in place right now. And a strike fund is really more on the private side of things, but it's to build basically a housing fund that can be used for all sorts of different instruments, whether it be land acquisition or subsidies or loans, for instance, to support the private sector's development of affordable housing. Which is not something that maybe the city can move so nimbly at just due to our bureaucracy and some of the constraints that we have on our -- with our spending sources of funds. So some of the other findings that we had once we finished our diagnostic was that we certainly have a wide range of programs and policies that deal with housing and transit as well as jobs. But there's a very inconsistent and often conflicting focus of these different elements. Often times we wind up with transit-adjacent projects and not those that are really oriented around transit. So they may be nearby, but that's only as the crow flies, not necessarily actually oriented around a transit facility. For instance, -- or it may have far more parking than is necessary, so that's not really orienting towards transit. That just means it's towards a transit stop. That we simply don't have enough public investment in affordable housing in particular and even transportation in general. Our tod ordinance is out of date and as you've heard quite a bit, our housing stock lacks diversity.

[2:16:55 PM]

So what we originally developed were eight different action items and we're in various stages in addressing these. So number one was develop a comprehensive transit oriented development strategy. Number two, dedicate funding for affordable housing and high capacity and high frequency transit corridors. Number three, develop dedicated funding mechanisms for station area investments. Four is a tod catalyst fund or strike fund for affordable housing. Number five, align the density bonus programs with federal transportation administration fta guidelines. Number six, support zoning to support a diversity of households and income. Designate transit routes as Cori coffin, and number -- as core transit corridors. And I'll go over each one of these briefly. So developing a comprehensive tod strategy is to remind and emphasize the fact that tod's are not projects. They're not a specific building, but it's really a development pattern. And you can have transit oriented development without transit, Mueller being a

prime example of that, but it's characterized by compact and relative dense development with a lot of amenities, residences and jobs within walking distance to transit. A lot of this you're I'm sure already familiar with. One of the action items or secondary action items to that is to develop a strategic tod tool. This is something that capital metro is taking the lead on however they have been consulting and working closely -- it's a member of the htj action team, the principal tod planner at capital metro, jaldan Marshall, who is leading this measure now, that capital metro is using to develop this tod tool, which is something for the development community to use eventually to identify kind of the appropriate scale of opportunities around various tod's in Austin.

[2:19:04 PM]

It would be -- it's modeled after Denver's tod tool, but it's an interactive, online tool that's going to give an idea of kind of the development potential, in one place what kind of transit services are there, frequencies, number of routes, for instance, and it's something that we're very excited about. The consultant is already working on it. They set up a steering committee that has a number of city staff members that are participating in it so we look forward to seeing the results of this. Action item -- yeah? Ms. Kitchen what's the timeline for -- Ms. Kitchen what's the timeline for that? Are we talking years, months?

>> It's more in the order of months. I think it's more a six to eight month, maybe nine month process. But I think certainly before -- well before the end of 2016 we should have this launched. Ms. Kitchen okay.

>> Kitchen: Okay.

>> Casar: In your earlier comments about tod's you talked about how if you have too much parking required in a tod that that makes it harder for it to be truly transit oriented. Can you just prime us a little bit more for what -- in your conversations with other cities what the sort of parking requirements are and other tod's and how we really get ourselves there. I think it's a conversation that the council -- it's a hard conversation to have about changing parking minimums, so I think that if we can feel like we're on safe footing talking about how they work in other cities that might be helpful to us.

>> Sure. And it's something that we're focused on with codenext as well. A lot of other cities using parking maximums rather than minimums. And we actually in our code do have a lot of the elements are there that are reflected in best practices in other cities.

[2:21:07 PM]

You know, certainly if you're within much of central Austin you have a 60% -- I think you can take a 60% - - I guess it's a 40% reduction on parking, but then there's another part of code that allows you pretty quickly if you -- if you do structured parking to go up to 110%. So while we have good maximums we have easy ways around them. I see that a lot in our code where you can almost follow the line of thought, well, let's be aggressive with this. If there's a problem and then turn around and kind of code in a relief valve to it. But in a lot of cases it's parking maximums that is what a lot of other cities do. And in 60% of the -- for instance, for 100 units you would only provide 60 parking spots or 60 percent of the requirement rather than -- help me out, Jim. We were having this discussion just the other day about parking requirements. But generally it's a 60% cap, for instance, rather than allowing up to full parking for 110% of the units in a development. So those are some of the -- that's one of the main best practices is just going to maximums. But there are challenges. A lot of times developers have trouble getting financing if a project is perceived to be underparked, for instance. And I think in Austin we still have a little bit of after challenge because we don't have the underlying infrastructure supporting other modes,

quite like other cities do, Denver in particular that's -- that can drastically reduce parking requirements. Because they have a lot more robust high capacity transit network.

[2:23:15 PM]

There's a bit after chicken and egg there, but certainly codenext is focused on dialing back parking requirements and taking a more pragmatic approach. Other things that we're looking at are ways to make it easier to use shared parking, to share parking facilities, especially when you have adjacent uses that really have different kind of business models where parking may be used during the day, but not at night. And you have an adjacent business that needs parking at night and not during the day. And so we can make that easier to execute those agreements.

>> Casar: My last question is when you say our tod ordinance is outdated and needs fixing up, as you mentioned your team is all up for codenext or do you see this as something that the council deals with in some interim period between now and when the new code gets rolled out?

>> Most of it's related to codenext. Some of the things we're doing related to the tool are to establish tod typologies. They could become standalone kind of regulatory districts, but to recognize that a tod for -- a route for metro rail will be different than one on the high -- on a high frequency line. And so establishing different typologies we think that that will very much inform the way codenext codes are centers because there's an awful lot of overlap between tods. And we may not have that in our new code, but in the meantime we're working under the current regime and certainly transit oriented development has a lot of recognition in the development community nationally.

[2:25:23 PM]

So there's still an important linkage, we think, in whether we have a regulatory designation in the future for tod's that we still have a good ideaing of the typologies and how different tod's ought to be oriented around different types of transit service. So action item number 2 is dedicate funding for affordable housing and high capacity and high frequency transit corridors. The main thing here is that by linking housing and transportation you have a much better opportunity to lower household affordability. Or to improve household affordability. We have general obligation bonds from the 2013 bond election. One of the ways to do this is to use, for instance, a marker that's already in code, core transit corridors, for instance, or tod's, for that matter, as a way to focus investment, so that by designating more -- that's actually a follow-up action item but by using these markers in code we have a way to focus funding on that. So that's really what this is -- this is -- this action item is centered around. But it's really to ensure that where we have -- that we put affordable housing along transit lines because those -- the best candidates for affordable housing are those that are also the best candidates and the highest users of transit. And we recognize that it's sometimes very straightforward, but to provide affordable housing in transit deserts doesn't really improve affordability for those communities. All that does is lower housing costs for them, but then it adds an increased burden on transportation.

[2:27:31 PM]

So the very simple message is affordable housing needs to be located along high capacity and high frequency transit lines and that's really where we can also have the ability to add more density. So moving along, number 3, develop dedicated funding mechanisms for station area improvements. This was in recognition of the fact that a lot of transit projects them is selves, even federally funded ones, really develop the project itself. It doesn't deal with a lot of the ancillary needs of those projects to be truly supportive and to be -- to produce really a high quality service that gets utilized. You need access,

you know, good access to the transit station. By often times a federally funded transit project is not going to be building sidewalks that connect adjacent arterials for instance to a transit stop. It's only going to be focused on that transit facility itself. So that was something that we recognized at least from the urban rail perspective that the funding that we were pursuing for that was really going to build this service, but that some other mechanism to provide improvements around the station areas was going to be critical to its success. So this was really focused on tif's tax increment financing as one measure, but other essential assessment districts like p.i.d.es, public improvement districts or lids, local improvement districts, any of those we think would be very beneficial and with or without urban rail we still have high capacity transit and we have high frequency routes that have station areas that are sometimes somewhat isolated from the rest of the transportation network.

[2:29:33 PM]

So there is still in our mind, there is still benefit in pursuing whether its tif's or something like that to build out these ancillary improvements that support transit.

>> Kitchen: I have a question. So this is a combination of this slide and the previous slide. The previous slide talked about affordable housing on the transit corridors and then of course this slide is talking about the areas around transit.

>> More the nodes.

>> Kitchen: Okay. So are there -- I don't know how much you are in the project and I know that the transportation department does -- may already have the answers to these, but are there maps, with regards, so number two, dedicate funding for affordable housing in high capacity frequency transit corridors. Do we have a map of where those should be?

>> Yeah. Well, capital metro's system map includes that. Our imagine Austin growth concept map includes a high capacity, not high frequency.

>> No, but I mean have we gone down to the level of -- okay. We know where the transit corridors are. Have we gone along those corridors and mapped potential areas for affordable housing?

>> The housing, transit, jobs action team has not done that. I know there have been other efforts underway and housing works has been a part of that. So have Dr. Liz Mueller at the university of Texas has done other affordable housing kind of opportunity mapping. So that's one of the things that we would like to do is kind of match those up and in some cases there may be effective sites -- well, I think from our perspective we would like the city to dedicate funding towards -- and invest in affordable housing that are on any of these routes.

[2:31:37 PM]

We're not necessarily so focused at this point on which site in particular, but that if -- this is really about changing priorities and aligning our priorities. So if we all agree that all of our investments ought to go along high capacity and high frequency transit corridors, the next step is to kind of drill down and look more actively for particular sites.

>> Kitchen: So that might be a part of we've talked about the housing plan and I think we have a briefing on that later today. So that might be one question related to that because at some point maybe folks are doing this already, but at some point we need to know where those are because that can impact the decisions that we have the authority to make with regard to what's happening along those corridors. Okay. But that's not happening as part of this project then?

>> That is not an ongoing kind of subaction item currently. Most of what -- most of these action items we all have other jobs and other roles --

>> Kitchen: I'm not saying you should. I'm just wanting to understand.

>> So a tod catalyst fund or strike fund --

>> Casar: Before we get into that, I wanted to touch back. Perhaps something for us to reflect, I would be pretty sure an hcd probably counts whether or not you're on one of those corridors or a future corridor in our scoring math and matrix, but maybe I know there have been some conversations about us taking a look at that matrix and seeing if people had questions about it. That is also somewhere where I imagine the city is already doing work. I guess what I'm a little confused about is what additional work we would need to do because while we want to make those investments along activity corridors, there are perhaps sometimes going to be projects that just don't fit into that, but we want to drive down the funds.

[2:33:40 PM]

And even if we can't get the affordable transportation component, getting the affordable housing is good enough and into that may tricks. Maybe not for right now. But what I would want to understand better is what the recommendation is what we could be doing that is more without potentially affecting losing out on -- on state or federal money just because we can't get -- we don't have the transit area, but perhaps we don't have the people there, the density or the transit. So anyway...

>> Kitchen: Yeah, my mind went straight to the plan that we'll talk about later. To me another level of planning is that once we have targets for how many more housing units we might need for different populations, the next question is where.

>> Along those lines one of the challenges is that we have transit as an element of a scoring matrix and we end uploading these matrices up with all these things that are important to varying degrees. To point where often the transit often let's lost in it and now things wash out. One of the things that we struggle with are a lot of funding and the details of this are a little bit lost on me. Our focus on high opportunity areas, which are related to schools, high performing schools, which are often on the west side of town, that may not be so transit supportive or transit rich or even with a potential to become that way just because of the topography and the development patterns out there. So we would contend that it is in the city's best interest to go beyond

[indiscernible] And maybe just have a set aside. 35, 40, whatever it is, some percent of all of our housing funding will be spent along high capacity, high frequency corridors. And then you may use the matrix approach to score particular projects that meet kind of a fundamental criteria.

[2:35:47 PM]

So that's really the difference that we're focusing on is less about making sure that it's under the scoring matrix because often times it can get lost.

>> So maybe we need to push those school boundary folks to include more of the high capacity core transit corridors into good schools.

>> So the tod catalyst fund or strike fund, this is basically a private fund, often times it can be a private, public-private partnership that really provides funding out there in the private sector that doesn't have all the strings that a lot of city money necessarily has that private sector developers can access to incorporate affordable housing into market rate developments or to develop affordable housing separately. We just completed a technical assistance panel effort with the urban land institute to look at how to structure this kind of fund. And then there's still lots of work to be done on what kinds of funding mechanisms it will be used for or instruments that will be used for, whether it's loans, whether it's subsidies or direct investment, but this is something that the city has been at a staff level and I believe the mayor's office is also very much involved, but city staff has been very much engaged in this effort and is sitting on the steering committee for what is becoming the Austin community investment

collaborative. And then the strike fund will be kind of the marquee effort of this collaborative. So it's moving right along, but that is -- we're very excited about that. And that came out of the housing transit jobs action team effort.

[2:37:48 PM]

>> Renteria: Could you also explain to me how is Denver doing on their strike fund? Just briefly.

>> I don't know. I'll turn to my colleagues to see if anybody knows enough about Denver. Mandy? Do you want to describe it?

>> Councilmembers, Mandy Demayo, executive director of housing works. Denver tod fund was actually one of the initial funds that we looked at for best practices across the country. It initially when it was initially started it's administered by enterprise community partners, which is a community development financial institution out of Denver. It started with about \$15 million. That money has been deployed and subsequently recycled. It has been expanded. It was initially focused just on the city of Denver. It's now gone regional. It has -- I believe they're up to about \$42 million at this point that they are lending, they're a debt fund to they're lending for both land acquisition and acquisition of affordable housing directly tied to transit in Denver along the Denver regional rail.

>> They have light rail.

>> Light rail. So it has had a successful track record. They are nearly a thousand units created or preserved at this point. So it's not the only model. There are actually dozens of funds out there and we're looking at all of those to kind of pick and choose the pieces that will work best locally.

>> Renteria: And so yeah, my understanding is y'all are working on the model that y'all would -- y'all are going to come back and make a recommendation on the model that y'all think will work best for Austin.

>> Yeah. One thing important to keep in mind when we look at the creation of these funds across the country is that it doesn't happen overnight.

[2:39:53 PM]

There's a lot of eagerness around this issue and there's obviously an enormous amount of market pressure. Everyday we hear about an apartment complex going condo, an apartment complex being torn down. So there's a huge sense of urgency. However when we look at all of the different funds across the country to actually deploy a fund we're talking about between 18 and 36 months. There are financial issues and legal issues and we're kind of navigating that right now. We're a solid six months into the process and we've been

[indiscernible] Great partners who are helping to inform this process. But I wish we had a fund to unveil and you could put us on council agenda next week, but it's not going to happen.

[Laughter]. We will definitely keep you posted, but it's a time intensive, complicated process.

>> Renteria: Thank you. Yes.

>> Kitchen: To follow up on that, I think we voted for some dollars to help start that strike fund as part of the budget process. So I don't know how that's going to -- where that money goes or anything like that, but -- and I don't know if you're familiar with that at this point.

>> I have to confess I haven't scoured the new city budget, so we may not.

>> Kitchen: We passed \$100,000 to be used as seed money for this strike fund.

>> Casar: I believe it wasn't seed money for the strike fund. It was instead money to bring on consulting help.

>> Kitchen: That's what I mean. Seed money to get the --

>> Casar: The consultant going. I think we were considering seed money for the strike fund out of our affordable housing housing bonds.

>> Kitchen: Not seed money to go into the fund, but to design and --
>> Casar: Consulting help.
>> Kitchen: Okay.

[2:41:56 PM]

>> So number 5, align our density bonus programs. This particular with fta criteria fta is very specific about what they consider affordable housing. It has to be people at 60% of mfi or below and it has to be legally binding so there has to be some sort of deed restriction or something that ensures that these units will remain affordable although fta does not set an actual term or length of time on it. But generally we look for perpetuity.

>> Casar: In our existing density bonus programs is there not some sort of restrictive covenant or some legally binding agreement?

>> There's not necessarily at 60% mfi.

>> Casar: I know that portion.

>> They don't always meet the requirements for legally binding. So in some case it is may be affordable housing for five years. I think a lot of times it depends on how, for instance, a pud is negotiated, but again I would have to turn to my colleagues for any additional elaboration on that. Do you care to?

>> Casar: That's okay. I just -- it seems to me that an easy fix would be to make sure our density bonus programs are legally binding, but perhaps they're not.

>> Surprising a lot of what we do on the affordable housing front isn't necessarily legally binding. We may provide -- and that's one of the things that we're discussing in terms of preservation. In a lot of cases if you're looking to preserve market rate affordable, that's great, but it doesn't help us bring in more federal transit dollars unless there's a legally binding component of it. So kind of one of the ideas that we've kicked around is providing funding, for instance, for the energy efficiency upgrades in exchange for some sort of legally binding covenant that goes with those units.

[2:43:58 PM]

So that kind of smaller scale mom and pop class C type units can be improved and still remain affordable, but with that legally binding component that would allow us to count it towards our fta scoring criteria.

>> Erica leak, neighborhood neighborhood housing. If the question was whether the affordable units created through the density bonus programs are legally binding, the answer to that question is yes. But as Scott mentioned, you know, there are -- there are other forms of affordability that -- that may not have legal status. Well, I mean they're just market rate affordable.

>> Got it.

>> But we can't count those towards the --

>> It's also that mfi threshold I think that in our density bonus program is not at 60% or perhaps wasn't -

>> We have a whole variety of deposition community bonus programs. With mfi levels with quite a bit of range. On some of them are at 60% mfi, some of them are at 80%, some of them are at 65.

>> A whole range.

>> The tods, on the transit area, which requires 06%?

>> Some of them do. Actually not all of them.

>> Casar: Some vmu does, some of them doesn't.

>> Renteria: You've been talking about the transit corridors, you're talking about the federal funding. Would that also apply if you're -- if you have high capacity bus going down congress? Would you be an account to get federal funds or would this just be all rail type.

[2:45:59 PM]

>> No, it's not just rail but it is considered six guide way is where that funding case is. The new starts program. So that can be brt, there's certain rules it has to be in dedicated lanes, so I think over 50% of it is alignment and at peak periods. So there are allowances for rubber tire based. Currently our metro rapid service does not meet the new definition of -- of fixed guideway and it was funded under an fta program that did not use that same criteria. It's a program that's now been phased out, the very small starts program, which was really just a way to grow high utilization bus routes or high volume bus routes into more of a fixed guideway type of system. But not all the way. So it would be basically for a different kind of service than we have in Austin. Our commuter rail would count, though, towards that.

>> Casar: Chair, as sort of an expansion of your question, if we were to, though, move a metro rapid route to be in a center lane with barriers on either side so it runs just right down the middle of the street, in a fixed guideway, then that would --

>> Generally speaking, that would qualify. So if we were to add a route, for instance, in another corridor, if we were to simply convert what we have now, that's probably not going to qualify for new starts funding. But if we were to add a line and -- and construct it in such a way that it qualifies for fixed guideway -- or qualifies as fixed guide way, then it would be eligible to compete for that kind of funding and capital metro is about to start a more -- another round of study for the central corridor that is still focused on high capacity.

[2:48:03 PM]

So another project could be merged out of that that could be going after these kinds of funds. So to have our affordable housing both at 60% mfi and legally binding would be real important because affordable housing shows up in the fta criteria in a couple of different fashions. They look both at what's existing and then also the programs and policies that we have in place to develop new affordable housing along the transit lines.

>> Renteria: Thank you.

>> So number 6 zoning to promote diversity of households and incomes. So again it's removing regulatory barriers that allows for a greater variety of housing types. That really is focused on the missing middle. Again, to get that range of -- of house -- to get additional density and additional income diversity, especially along transit lines, because on the one hand getting that additional supply and additional diversity completes communities, allows for a greater diversity of incomes and with that you also get additional, you know, transit ridership, especially at the lower income ranges. So if you can have areas that may not have that diversity and may have a bus route that doesn't see a whole lot of ridership or maybe more service workers, you know, ideally you would get trips originating from those areas as well, if you added diversity of housing types. Then irrespective of transit, there are the benefits to simply housing costs alone by adding additional supply and diversity. Number 7 deposition senate high extras coral Eugene Watts and core -- as core transit corridors. This is really more of a stopgap while we're in this kind of an interim, we have a new policy direction with imagine Austin, but we don't have codenext in place.

[2:50:11 PM]

Core transit corridors probably won't be called the same thing or exist in codenext. But recognized that codenext is oriented and imagine Austin is oriented around corridors and centers, we looked to a couple of different action items, I believe, one is tod designations and I think that I glossed over this one element of it. I'll go back to it in a second. We have tods, we have core transit corridors, that are kind of our current corollaries for centers and corridors. Tods representing a lot of our centers and corridors being represented by our core transit corridors. So we have it in code already and so again it's -- the idea is if we do additional hi extras transit corridor designations, that brings better standards, better street scape standards which are more transit supportive and also gives us something to point to when we want to focus funding on it. So that's really the intent behind that one. There are some other issues associated with core transit corridors. It does introduce the potential for vmu overlays, off 10 times that scares people off from core transit corridors, but it doesn't change zoning. It simply changes design standards and provides the opportunity for neighborhoods to petition into vmu. But we think that the other benefits related to the street scape standards and the ability to focus funding outweigh some of the other concerns. This is not something that we are advancing currently. And then lastly, multi-agency collaboration to support transit, certainly there's a lot that council is already doing with the regional affordability committee. There's been a lot more interest to date. Paid to -- to publicly owned land.

[2:52:12 PM]

And how it can be used more effectively. I mean, that was something that we heard over and over from peer cities and around the country was that to have the greatest impact, spends your own money, you know, as opposed to waiting or putting the regulatory framework in place or waiting for the private sector to deliver projects, it's make the most of the assets that you already have. It can take many different forms. Some of it is inventorying lands that -- that the city owns and if we have vacant land or underutilized facilities on high capacity or hi frequency lines, let's redevelop them in a form that we're looking for to support transit to address affordability. If you are Travis county, looking to locate a new courthouse, put it where it can be well served by transit, rather than going for instance where land may be cheap, but access is really exclusive to the automobile. So there's a lot of different ways that -- that this can -- can come to fruition. One of the things that the action team has not really kicked off is -- is maybe more of a road show, if you will. Kind of bringing the message of aligning housing transit and jobs, leveraging each of them to really get the most for our money is a message that we don't think has really been put out there in the community. That there's a lot of interest in resolving traffic problems, there's a lot of interest in addressing affordable housing, but there's still not necessarily a -- a broad recognition that -- that you can do both of those at the same time, especially by linking housing and jobs by -- with transit.

[2:54:19 PM]

That is one of the problems that we have in addressing both traffic and affordability issues. So I guess just to sum it all up, the point being by leveraging all of these investments by aligning our plans and programs and policies, so that -- so that using transit as an anchor for these other investments. That's going to be -- we think, a very direct path towards affordability. And that -- a way for us to get the most for our dollars. It involves tradeoffs. It may mean that we spend less on other things. Or that we -- that we -- that we -- we don't favor maybe some of our other priorities in favor of really -- really emphasizing investments that are on transit lines in particular. We see that as a very effective model, one that's used all over the country, there's no reason we can't do it here. There's no reason we have to have light rail, for instance, to invest in transit lines. We don't have to have light rail to invest in transit oriented development, that with happen around bus rapid transit or other high frequency services. But we need

to be taking decisive action to really invest in it. And not just add, for instance, transit to scoring criteria. So -- so that's really where we see a lot of opportunity for Austin. And that's -- that's really it for our presentation. Any more questions? We can move on. Yes? >>

>> Kitchen: Just overall, I think that you mentioned this before. This is an ongoing team that you guys continue to meet?

>> We do. We continue to meet monthly.

>> Kitchen: Okay.

[2:56:19 PM]

Okay. And -- are you -- is that going to be ongoing or are you working towards a specific goal or end date or anything like that?

>> No, I mean, we don't have any end game in mind. I mean, most of what we do when we meet monthly is to -- to give updates on action items that are underway, the tod tool, the strike fund in particular.

>> Kitchen: Okay.

>> Then to strategize about how to accomplish some of the other action items. You know, there's still healthy debates about whether we pursue code amendments now in light of codenext, but there's a lot of interest in doing it. I guess one of the things that I did want to mention was that with the -- with the -- I think it was action item no. 2, with tods, that one of the real benefits ... Um ... I guess it's part of our comprehensive tod strategy, was to use tod regulations and code to designate additional tods.

>> Kitchen: Okay.

>> That to make a tod like plaza saltillo or the mlk junior station, that went through about a four-step process to get to a regulating plan. How far, by simply by making that designation as a tod, that really allows us now to focus investment on it. You know, we don't necessarily have to be specific about investing or doing a set-aside, for instance, for a particular station or another one. But, you know, we would like to take, for instance, all of the metro rapid stations. I think there's close to 80 of them.

>> Kitchen: Uh-huh.

>> Designate them at tods, kind of that first step along the tod regular -- towards the regulating plan, but we don't necessarily have to do a regulating plan to use what's in code now to be able to start to really focus investments.

[2:58:20 PM]

So, you know, that's -- that's part of what the ongoing efforts of the action team are is to make sure that we're still moving ahead on these where we can. And maybe at the very least, identifying when we have needs for resources and making sure that those find their way into whether it's departmental budget requests or whatnot.

>> Kitchen: Okay.

>> Renteria: Any other questions?

>> Pool: Just one --

>> Gallo: Just one thing. I was just going to say it's interesting how the conversation continues to also come up with the difficulty in using our bus transit system. I think there are a lot of users that would consider it being rapid even if it weren't a rapid line if it got them to point A to point B more easily, more frequently. I hope we don't just focus on rapid line areas, but that we also really keep talking about a plan that -- I was talking to somebody at a meeting, neighborhood association meeting last night, which was the far northwest section of district 10, which is spicewood and 183. And the person that needed to use transit to go northeast actually had to come all the way downtown and then switch to be able to get

the line out and that, you know, until we fix that piece of the transit problem, you know, we're going to continue to have issues with people being able to use transit to get to work, to get to where they need to be. So it's not just a rapid issue, it's also an issue of taking these connecting lines and making -- however the plan can be, but I hope we will continue that discussion because I think that's important, too.

>> Absolutely. Well, in capital metro's service plan 2025, which I think is really starting to shape up, as a system reimagining we will be looking very closely at that. And they are very, you know, they've been very engaged with staff on that as well and I mean they take our growth concept math and our -- growth concept map and our centers and corridors very seriously.

[3:00:35 PM]

They are very much looking to marry out our transit system with our centers and corridors.

>> Renteria: Any other questions? Thank you.

>> Okay.

>> Renteria: Now we're going to go to the next item. A briefing on the 2015 affordable housing city council district analysis by --

[coughing] -- Excuse me, housing work Austin.

>> I don't think I'm on. There, I am. I'll talk a little bit, and then if somebody can just . . . The information, that would be great. Mandy, executive director of housing works, thank you for having me. I have a very brief presentation about our recently released 2015 city council district analysis. You all should have received copies of these, all ten city council districts. If you do not have -- or if you'd like another copy, I have four sets here. I'm happy to provide them. We started this process last year in anticipation of the transition to the 10-1, the 10 city council districts. Historically, we've always looked at affordable housing challenges and opportunities from a citywide perspective. We've looked at homelessness, how many in the city, what's the median rent, the median home sales price for the entire city of Austin. But what we knew was that when we were transitioning to ten city council districts, we'd have to look at all of those issues through a different lens, through the lens of the city council district geography. So, we embarked on this for the first time last year, summer of 2014. And I am pleased that we recently released our updated, new and improved 2015 city council district analyses.

[3:02:44 PM]

Are they . . . Hopefully they're going to be up on the screen. If not, I can do it old-fashioned and just show you. There we go. Here's district one. So, we have all ten city council districts. You can download it from our website, which is housingworksAustin.org. We looked across the districts. A couple of things changed this year. One thing, based on a lot of conversations with the folks in the housing, transit, jobs --action team, we wanted to incorporate vehicle miles traveled, some sort of metric around transportation. Because what we know is that that is intimately tied with household affordability. The truth is, household affordability is about your housing expenses, but it's also about your transportation costs, which are historically the second-largest expense in any household. So, at the bottom, the vehicle miles traveled, again, and the mass transit trips, that's a new indicator this year. And then all of the data was updated based on the most current data available. Up top -- and I'll go through a couple of them and talk about some major takeaways. Up top, all of the black dots on the large map -- and, again, we have highlighted district one -- let's see, I will go to district 3 for obvious reasons. But, all of the dots are subsidized housing develop, sub-sigh dieded from a local subsidy, to federal subsidy, including public housing. So, these are all subsidized public housing developments. We looked at homelessness, based on echo, ending community homeless coalition, their annual point in time count. So, we had the most

current data from January 2015. We looked at cost of living, so the median family income, that's from the most current census data. This is, again, by city council district.

[3:04:45 PM]

The median home price from the board of realtors, and the average rent per month. And that was from Austin investor interests. We look at renter versus owner, the breakdown by city council district, how many renters you have in your district, and how many owners you have in your district. Then the poverty rate and the individuals. Really, we're interested in not just the rate, but how many people in each of your city council districts are living below poverty. We looked at cost burden, those paying more than 30% of their income toward housing expenses. That's rent and/or mortgage, plus utilities. And then also extremely cost burdened, and that's folks paying more than 50% of their income toward rent or mortgage and utilities. We're particularly interested in folks who are extremely cost burdened, because if you're paying more than 50% of your income on housing expenses, you have very little money left for other expenses including not just transportation, food, medical expenses, really critical things for any family to survive. And, again, we looked at vehicle miles traveled, compared to the citywide average, and mass transit trips taken compared to the citywide average. We have four major takeaways. We lined up all ten districts to look at similarities and differences. A ton of similarities. There's poverty and homelessness in every single district, even the wealthiest districts. There are people in your districts who are living in poverty, and there are people who are unsheltered. When we did the count in January, we found people who were living on the street in every single city council district. One disparity, when you line up all the city council districts, we have not achieved geographic dispersion or equity when it comes to affordable housing. This wasn't a surprise to most of us, but it was a surprise the degree of the disparity.

[3:06:48 PM]

If you look at districts 1, 2, and 3, on the east side of I-35, they contain 58% of the subsidized units. Districts 6, 10, and 8, primarily west of mopac only contain 3% of the subsidized housing units. There's a silver lining to that. It's not all gloom and doom, I will say. One thing we're super proud of with our 2006, and continuing in with our 2013 affordable housing bonds, is that geographic dispersion is a core value. When we look at how we use the local subsidy for affordable housing, more than half of the investment occurred west of I-35. We're starting to get west of mopac, as well. We are very pleased that we have two projects. One is just about to start construction, and one is under construction. 120-unit project, and it's a low-income housing tax credit project in district 6 which is about to start construction, and that will provide affordable family housing to folks in an area where there haven't been opportunities for affordable housing. There are a significant number of low and moderate-wage jobs in the area, but folks couldn't live and work in the area. We're excited about that. In addition we have a 58-unit complex in district 6 which is nearing completion. It's under construction, nearing completion. So, again, a huge opportunity for those districts that are west of I-35. And we will continue to monitor geographic dispersion of affordable housing, because it's something that's really critical to us as a community, and, of course, at housing works, our tagline is all kinds of homes in all kinds of town. We are looking forward to achieving that vision. Another really important takeaway, I'm glad I have district 3 up here, is that -- this is no surprise to many folks -- our incomes are flat.

[3:08:50 PM]

But our housing costs are increasing. But, in district 3, it was particularly apparent. District 3 has the lowest median family income of any of the ten city council districts. You would think, they must also have the lowest median home price. That is not the case, of course. The home prices across the board are high. But in district 3, the disparity between median income and home price is actually the widest gap. And about -- the median home for sale, based on first and second quarter data from the Austin board of realtors is about seven times the average the median family income in district 3. Bottom line, completely out of reach for anybody living in district 3 currently. The fourth major takeaway was that transit really matters. We were excited about the -- being able to capture the data for both vehicle miles traveled and mass transit trips that were taken. And what we noted was district nine had the most vehicle miles traveled, and also the most mass transit trips taken. But it also has the most bus stops per square mile. So, when we have a lot of bus stops, we have people who will take the bus, which is pretty exciting. And then, corresponding to that, you have people who are driving less, and also proximity to jobs and opportunity in district 9. And so fewer vehicle miles traveled. Let me just go to district 9 since I was highlighting it. There we go. And you can see the blue line for vehicle miles traveled is the average for the city, and then the green line is the average for district 9. And again, the mass transit, similarly, blue line is the average for the city, and the Orange line for mass transit is the average for district 9. And then I'll go just to compare it to district 6, which had very -- does not have adequate or a significant amount of access to transit in district 6.

[3:11:04 PM]

And as a result, we see significantly higher vehicle miles traveled, 19,500 more compared to the citywide average, and then also significantly lower mass transit trips taken. Those are the major takeaways. And, again, it's poverty and homelessness in all ten city council districts. Subsidized housing -- subsidized housing, disproportionate. And then, transit really matters. We are looking forward to tracking all of this data over time. And, again, each year we may be incorporated either new data or new metrics, depending on -- we got a lot of good feedback from folks from last year. And so if you have any feedback of things you would like tracked, please let us know. We are open to tweaking it, and, you know, happy to provide whatever data we can whenever it's available. So, thank you. And I'm happy to take questions if there are any.

>> Renteria: Any questions?

>> I just -- it's not as much of a question as a compliment. I love getting these. I enjoyed them last year when you passed them out, but I really do like the additional information that's included in this version, version two or three, I'm not quite sure what it is.

>> Version two.

>> But, from a policy standpoint, I think this type of data really helps us as we talk about equity and how to allocate funds. It's very difficult. And I think the information that you give us is really important. So, thank you over, and over, and over again.

>> Thank you for the feedback. Again, particularly adding the transit was the result of folks saying, how come there's no transit on here? We dropped some information, because we can only squeeze so much on to one page, but we are happy to look at whatever data you all would find helpful.

[3:13:10 PM]

>> Renteria: Thank you.

>> We will be doing this for the entire city. We're looking at doing the county, and the five-county region. So, we have big ambitions.

>> Do you have this available in a PDF format?

>> You can download it from the website, and there's very detailed information on all of the different sources. It's all footnoted, but you can download all the information.

>> Thank you.

>> Renteria: Thank you.

>> Casar: I have one more question. So, obviously, lots of great information here. In flipping through it, it tells different stories for me. I'm not sure what to take home from it yet. Having done this work and presented it to us, if there were two or three things that you -- after having put this together, that it makes you think about or that -- of course the recommendations are we need more affordable housing, there's too many cost-burdened people. That's clear. Having broken it up by district and put this together, what story does it tell for you?

>> You know, for me, probably the most important is the equity issue. I mean, the subsidized housing provides an incredible resource, and it's an asset to our community. I'd like to see it in all of our communities. I'd like to see it closely tied to transit and jobs as well, which is one of the reasons we've been so pleased to help out however we can with the housing transit jobs action team. We need to think about how we align policies and resources around those issues. They're interrelated. They're interconnected. And if we can solve transit, we can help with affordability. If we solve jobs -- I mean, we need to work on all of them together. So, anyway, for me, it would be the equity issue. Without a doubt, we have low and moderate-wage jobs all over the city, but we don't have that access to deeply affordable housing.

[3:15:12 PM]

So, it's a resource issue. It's a policy issue. That would be my major takeaway.

>> Casar: I think it was one of the major takeaways for me. Then, pulling on the other end, in rapidly gentrifying areas like in district 3, thank god we have so much publicly subsidized housing there, or there wouldn't be working class people left in some areas at all. There is a pull back and forth, in a transit desert place where there is no subsidized housing, compared to a place where there might be some subsidized housing, but that's the only place working-class folks can afford, that's a pull we're constantly going to feel. It makes the story being told almost like, we need to investigate more -- invest more to cover both bases.

>> Indeed. I read a fascinating article about San Francisco, there's a corporation there that's done a lot of affordable housing. San Francisco, median home price is a million dollars. They're in this worse than we are. A rapidly gentrifying area. The executive director said, I feel like our subsidized housing is an inoculation against gentrification. We have -- the market can only move so far in our neighborhood because about a third of their housing stock is subsidized and has affordability restrictions. So, it was an interesting way to look at, yes, there are gentrification pressures, but, if we can hold on to tough housing stock and invest in it, and continue to invest in it, make sure that it's not just decent, safe, and sanitary, but really class-a living, rental housing, and homeownership, and make sure that folks who have lived in the neighborhood for generations can continue to live in the neighborhood for generations through housing repair programs, I think that there are definitely things that we can do.

[3:17:13 PM]

>> Thank you. Anyone else? I really want to thank you for that report. I guess it's an eye-opener for a lot of people to see that, you know, how very -- how much housing that we really need in this neighborhood, and in this area, in Austin. And also, you know, unfortunately, you know, there was a lot of questions on the urban rail. And, you know, it failed. I was one of the few that supported it. And I had the opportunity to go and visit cities -- you know, 30 years ago when capital metro was just starting out.

And was able to go out and visit those places, you know, here just recently to see the housing development, the universities, and the schools being built next to it. And it's just like a big old hub for communities, and the rail just goes right through it, and people are just using it. I had been fortunate to go through and also see a rail like we have in New Mexico, which is very -- you know, you can commute from one city to the city. And it's just perfect. And I know how -- you know, I hope that one of these days, we'll realize that just building roads is not going to solve our problems. Thank you.

>> Appreciate it.

>> Renteria: Next, we'll move on to agenda number 5. Next, we'll move to agenda number 5, which is an update on affordable housing goals and target and affordable housing plans and community scorecards to address the housing gap in Austin.

[3:19:25 PM]

>> Good afternoon. I'm Jonathan, senior planner with neighborhood housing and community development. Today I'm here to provide an update on the affordable housing goals and targets. At the June 24th housing and community development committee, we introduced this chart, which provided a broad range of goals and targets for different types of affordable housing. There were goals for creating new permits in support of housing, creating new affordability rental housing and homeownership opportunities, preserving existing affordable housing, creating and preserving family friendly units, affordable units near transit, and geographic dispersion of affordable housing. Some of the feedback we received was to be bolder with goals and redefine goals and targets with that feedback, engaging stakeholders. Over the last three months, a broad range of stakeholders have been engaged to provide input on the goals and how to ensure that multiple interests were being addressed. This is a list of stakeholders we have reached out to so far. I want to be clear our work with stakeholders is not over. There's been a lot of interest by diverse groups in the community regarding the affordable housing goals and targets, and we want to make sure that all of those interests are reflected in what's finally put forth. Some of the major themes from the stakeholders that we've heard was to reconsider revising the goals so it's more succinct and easily communicatable. To consider higher and lower goals based on feasible scenarios in the Austin housing market by looking possibly at historical housing production Numbers. Some considered looking at just the last three years, versus the last five years, which is what we had been doing before, kind of removing a housing downturn. Consider council district goals rather than zip code-level goals. Examine how peer cities have set goals and targets.

[3:21:28 PM]

Consider regional demand for housing. Consider smaller household size. The previous goals were set on a household size of four, but it's actually 2.4 persons in Austin. Consider additional subpopulation goals based on needs, account for students in the gaps analysis, and coordinate with the disability community and stakeholders to explore the measures and tracking systems for integrated housing. So, in reevaluating the goals, we looked at potential scenarios for the Austin housing market over the next ten years. By looking back as far as ten years, we find it reasonable there would be a low scenario of 50,000 units being produced, affordable and market-rate units, somewhere between 50,100,000 in the next ten years. We went for the middle target, of 75,000, which we found most reasonable.

>> I have a question.

>> Yes.

>> You may be getting to this, and that's fine. You can just tell me that you're getting to it if that's the case.

[Chuckling] I'm wanting to see the relationship between goals -- let me make sure I'm understanding this slide. This is a slide that says -- would this be a ten-year goal, is that what it is?

>> This is looking historically over the last ten years how much new housing supply in all of Austin at all income levels has been created and what we anticipate would be created over the next ten years. This is not a goal. This is, per Se, what we feel like the market will create.

>> Okay. Well, then my question you'll get to later, I'm sure. And I'm just wanting to see the relationship between the targets we set and what the need, but you're not to that yet.

>> Not yet, but I will get there.

>> Okay.

>> So, what we did, then, is kind of looking at that 75,000 units that we anticipate to be created over the next ten years, how would we match the creation potential of new housing to the mfi levels of households as they currently exist in Austin.

[3:23:39 PM]

So, we looked at, kind of, categorizing households along this continuum, and saw that we would need 16% of that 75,000 units to be at or below 30% mfi, which is about 12,000 units. 19% of those for 31 to 60% mfi, and so on and so forth. We actually included not only the affordability part of the spectrum, but market rate. So, that includes workforce housing, and kind of the full gamut. Some of the stakeholders felt that that was great that we were looking at all the housing that was being created in Austin, kind of, where it needed to be. The subgoals like permanent support of housing, and, kind of, the other ways that the data was split up before are rolled into these different categories. Permanent support and home repair was outlined at 30% below mfi on the previous chart, and that's within the 16% of the units there.

>> Casar: Sorry, I have a quick question for you.

>> Sure.

>> Casar: So, this graph is assuming that if we could, say, of these 75,000 units, even though they're new, and if we could decide the price point for them based on the proportions of our population, this is what we would decide if we could magically do so?

>> Correct, yes.

>> Casar: But, of course the reality being that we know that newer units are going to tend to be more expensive. Most likely, given the way that things are going, of the 75,000 new ones that are created, probably more than 27% of them will be sold or rented for people whose mfi is over 120%.

>> That's correct.

>> Casar: Probably 50 or 70 or 80%.

>> That's correct. And we'll get to tools on how we can achieve these Numbers, potential opportunities.

>> Casar: It's not to criticize. I just want to make that clear so that I can sort of understand.

[3:25:40 PM]

So, can you help me understand what the goal of the chart for us is? Sort of given that reality, which is fine. Well, I mean, I don't love it, but it is what it is.

>> I think it's aspirational, the 2013 housing market study looked at preserving -- looking at a baseline of where we were with affordability levels and saying, you know, we would aspire to kind of keep these affordability levels if we could, and not fall any further behind. We should aspire to do that.

>> Casar: This is the aspirational baseline, understanding that some more expensive housing in five or ten years might be older and fill in some of these gaps. But, this is a way of saying, if we wanted to stay where we are.

>> Yes. Another thing to keep in mind is this is not just all new construction. Some of this would be preservation. Some of it would be home repair. There's a lot of different ways, but, to keep these Numbers in perspective with the population needs, that would be a great aspiration.

>> Casar: I guess, what the graph illustrates to me is how far we would have to go considering that if we wanted to stay where we are, which from the charts we were just shown by housingworks isn't the best spot to be in, we would have to contain -- we would have to basically go from 60% of these units being -- or 70 or 80% being at 120 mfi and above, down to make sure they're a 27% portion of the graph.

>> Yes.

>> Casar: And there's different ways to move that variable. It might mean the number of units has to go up or whatever it is.

>> Correct.

>> Casar: Okay. Thanks.

>> Mmhmm. So, then, to capture a lot of the other goals that were not measured in the previous chart, we looked at measures for the affordable housing produced by the city of Austin. Noting there would need to be measures to address the needs of people with disabilities, which we're defining with stakeholders, that there would need to be a family friendly goal of 25% of affordable housing units created or preserved would have two or more bedrooms, which is a recommendation from the families with children's task force.

[3:27:52 PM]

Transportation choices, as talked about in both of the previous presentations. 25% of the units are recommended to be preserved within a quarter mile of a high frequency. We've defined that more strictly to a transit stop versus a transit route. And geographic distribution. This was, again, a goal that came out of the housing market study. In each zip code, 10% of the fennel housing units were affordability to 30%, and 24% for affordability at 80% mfi, that was a recommendation of the housing market study to geographically distribute that housing and that affordability amongst all the zip codes.

>> Casar: Sorry. Were there recommendations for more than -- for rental housing that was at 50, 60, or 80?

>> No. This was, again, making sure that we didn't fall any further behind what was found to be the gaps in the study.

>> Casar: Okay, thanks.

>> Mmhmm. So, then, looking again at the stakeholder feedback, one of the other things that was asked for us to do was look at other cities. And we looked at eight other cities that had affordable housing goals and sought to better-understand this relationship between their new housing supply creation and their affordable housing goals. So, as you can see from this chart, we looked at the cities, what their current number of housing units is today -- this is all using census data and production data -- what their annual average housing production has been over the past three years. So, in Austin, it's a little over ten thousand units. Then, if they had a housing goal that was adopted by council, what their goal was in relation to that housing production. So, I think what's important about this exercise is that you can see places like New York and Chicago may be a little -- very ambitious, if not very challenging to do, given that the annual production of new units in the market is less than what they're shooting for as far as their goal.

[3:29:57 PM]

So, we wanted to kind of check to make sure that the goal was realistic and attainable, yet challenging at the same time. So, what we're proposing here would be 33% of average housing production to be

affordable in Austin. And that comes to the 3500 units, which rolls back up into that 75,000 that we saw earlier. So, how do we get there? These are potential funding strategies to achieve affordability across that housing continuum. There are . . . This is a suite of tools that can help us get there, from subsidies to dedicated funding sources, federal and local funds, public lands, creative financing strategies such as the preservation strike fund that was mentioned earlier, or tax increment financing, or changes through code next or a streamlined development process. I'd like to note the ones that've got cross hatch indicate you may need to use multiple strategies and funding to achieve those deeper levels of affordability. And, of course, you know, if you look at this in a geographic lens, if it's near transit, you're actually able to achieve a deeper level of affordability based on the locational advantages of that housing unit being near transit and reducing that transportation cost for that household.

>> Renteria: You have a question?

>> Casar: I have a quick question. For the slide before it, because I didn't have time to interrupt you, I apologize. If you could go back one.

>> Sure.

>> Casar: Can you help me understand the reasoning for shooting for a percentage of the average housing production to be affordable, as opposed -- sorry. For this affordable housing goal, you mean 80% mfi and below?

>> Correct.

>> Casar: And so, is there a preference on the number?

[3:32:02 PM]

Sorry. I guess my difficulty here, if we're going for a number of affordable housing units, or if we're going for a percentage of the production to be affordable. Can you help me understand if we're setting the goal -- if we're more setting it towards a number or a percentage, and what the pros and cons might be of one or the other?

>> I think the idea is to set it towards a number, but I think you want to make sure that it's in line with a percentage of what's being produced by the market.

>> Casar: Okay. So our goal is a number, but, of course, if your percentage is over a hundred percent, your number seems a little funny.

>> Yes, that's correct. The other thing I would say is, these are community goals and targets. There's only so much the city can do if we're going to be asking through regulatory incentives and other things for the private market to be producing affordable units at some of those higher mfi levels, we want to make sure it's something that's reasonable for them to be able to do, as well.

>> Casar: The implication being if our annual average housing production one year is actually 14,000 instead of 10,000, and our annual -- the amount of affordable housing produced is 4500, even if our percentage goes down, we got a thousand more units out of it. And hopefully, some of that increase in housing production actually soaks up some higher-income folks that may not bid up older properties. Even if our percentage went down but our number of affordable units went up, that may not necessarily be a bad thing.

>> Correct.

>> Casar: We're setting the goal more towards the number of affordable housing units as opposed to the percentage.

>> Correct.

>> Casar: We just don't want a silly percentage.

>> Yeah. I think this percentage exercise was to look at peer cities and find a way to see whether the development community was being overburdened by production -- or being expected to play a bigger role, or the city was being too ambitious.

>> Casar: Thanks for setting some reasonable goals. I appreciate that.
>> Renteria: Councilmember.
>> Did you have questions?
>> I'm wanting to understand.

[3:34:03 PM]

Does that mean our target would be 3500 a year for affordable housing?

>> Mmhmm.

>> So, how can I see how that relates to what we've identified as our needs?

>> So, the housing market study identified the gap of 49,000 rental units for 50% mfi?

[Off mic]

>> Yeah.

[Off mic]

>> Yeah, it is.

>> Okay, let's look at that chart. So . . .

>> It's 48,000 for mfis below 30%.

>> Okay. And so that line . . . Just help me read this. I'm sorry. So is the line with the permanent supportive housing, is that a subset of the 48,000, or is it in addition to?

>> That would be a subset of the 48,000.

>> Kitchen: Okay. And the same down with the 25,226, that's a subset of the 48,000?

>> Yes. That's a preservation goal.

>> Kitchen: Okay.

[Off mic]

>> [Chuckling] Yes, that is.

>> Kitchen: Okay. So, looking at the -- the 48,000 relates to rental, right?

>> Correct.

>> I think one of the things that this chart did was really get specific about how we were going to create or retain affordable housing and kind of slices it a little bit finer-grain, but I think the idea with this new method was to really roll that up and make it a little easier to understand.

>> Kitchen: Okay. Well, what I'm trying to get to and make sure I'm understanding is that if we said -- and we had this conversation, you know, before. And I know it's not realistic, but I want to know what it is. If we said that everybody in town should have access to affordable housing, how many people would that be, and how many units would we need?

[3:36:04 PM]

Is that the 48,000?

>> I . . . I default to Betsy on that one.

>> So, for that income?

>> Kitchen: Yeah.

>> Yes. The housing market study identifies that if we really were going to house every person who was at 30% and below, independently, and they paid no more than a third of their income on rent, we would need 48,000 new units.

>> Kitchen: Okay. Okay. So, what we're -- and I'm sorry, I'm being kind of simplistic about it, but I'm just trying to get to the point. What we're saying is our target is 3500?

>> Mmhmm.

>> Kitchen: So, is it appropriate to relate the 3500 back to the 48,000, or would we relate it back to a different number?

>> The 3500 is not just at 30% and below.

>> Kitchen: Okay.

>> It's actually 80% and below. So, I'm going to look at you guys in the housing market study. Oh, because --

>> It didn't --

>> Conversation about the 50 to 80. There's not necessarily a gap. And people don't always like this conversation. There's not a gap for the unit's price between -- 50 and 80, but there are many people who are living. They could pay more, but they're not. We can't make people, you must move someplace and free those up. There's a fair amount of housing stock at that price point, but they are filled up with folks who either paying too much, they're cost-burdened, or number 2, they could afford more but they're not. So, that's the interesting -- and I'm not the housing market study expert. I'm going to look to you guys to help me on that, but this is always the interesting thing with the housing market study, we have a fair amount of housing stock at the price point for 50 to 80, but folks are either cost-burdened or paying less than a third of their income.

[3:38:07 PM]

Is -- did I say that right?

>> The other thing to keep in mind with the 48,000 unit goal is that may not be realistic that we would ever be able to close that gap. So, it's really important that we stick to goals and targets that are realistic and attainable, and that's one of the reasons the exercise was done looking at peer cities, what they're doing, and setting as their goals.

>> Kitchen: I understand that, but we had a discussion at the last committee meeting that maybe our goals were too low. That maybe we needed to think in terms of what we could . . . I mean, in other words, I wanted to start the conversation not at what could we do, but what do we need to do.

>> These are still relatively ambitious goals. We did go back, actually, and took to heart exactly what you said. And that's why you'll see the information presented the way it is. If we were to get one in three -- one out of every three units produced in this city was affordable, that would be huge. Whether -- regardless if we're making ten thousand units, 15,000 units, 50,000 units a year, to get every one in three was really affordable, that, in my opinion, is a tremendously aggressive goal. And so, we can put -- we can certainly put out whatever you feel is comfortable. I think what we definitely didn't want to do was a fascinating exercise when Jonathan or whoever ran the information on New York City. I mean, they have advertised their goal a hundred different ways. And for their affordable housing, it's more than what they build every year. I don't know -- I know that -- when you do the math on the capital, is that slide up?

>> We're just about to get to that.

>> This is what it would cost us to -- if we actually created 3500 affordable units, that's the cold hard cash it would take us.

[3:40:10 PM]

We don't have -- we, nacd -- doesn't have that kind of money. I'm not sure how we would get to the point where the private sector would contribute that much. Again, I believe I appreciate your deep concern for that. I don't know how to put forward -- it's not I don't know how. We can put forward something. It feels uncomfortable to me to put forward something that we can't even get close to. I will

tell you what we've got up here right now creates a little bit of anxiety for us in how we're going to be able to motivate folks just to get to this point.

>> Kitchen: Okay. I understand all that. I just think at some point, maybe it's not here, we need to have the discussion, you know. Because -- and, again, you know, to me, 3500 -- and I may not be really understanding -- looks like a drop in the bucket compared to what we think we need. It also seems to say that our city will never be a city where people can afford to live.

>> Casar: Chair.

>> Kitchen: That's very simplistic.

>> Casar: I want to -- I thought about this since the time you said this. I wanted to see if I could bounce an idea of two off of you.

>> Kitchen: Okay, go ahead.

>> Casar: I think what might be helpful is to hear from the department -- we don't have to put the number in as the goal, but to hear from the department -- give us that number. And maybe in even bigger font, what the number would be. I think that it would -- I think that seeing the number shouldn't scare us and say, well, that must mean that we just -- it's just never going to happen, and so we shouldn't even put a dime into it. But, I think seeing the whole range -- because in other communities in this country -- but even more so in others -- my understanding is that there is a much -- you know, a pretty heavy investment in public housing or in purchasing of land.

[3:42:11 PM]

And that if we understood just what it takes, then maybe -- you know, as we think about budgets or as we think about bonds, or as we think about bonds for roads, as councilmember Renteria alluded to, perhaps we start thinking about -- we actually understand what it would take if we wanted people to be housed, how much money it would take. And we can start seeing that every decision we make is a tradedraw. A -- tradeoff. We can't invest all of our money in affordable housing, but we can think about what the ratio is, so the next time we think about putting in a million dollars for this or that, we understand, well, do we want to put it in affordable housing, or do we want to put it into this other thing that may be worthy, but not as much of a priority for the council. So one, seeing what if-if scenarios, if we were to see this much, this is how much we would get. If we would do more this is how much we would get. Then you have the sky's the limit one that under our existing political culture in the city, the taxpayers might reject, but give us that 48,000 and 10 tell us in some reasonable what-if scenarios, push it somewhat more ambitious, or maybe a little less so we understand that the way that our decisions actually impact how close we get to the goals and then I think what would also be have been helpful to the market side as we go through things like codenext or land use changes or other decisions that we make if we could have -- I know that's sort of what the affordability impact statement is supposed to be about is how do the decisions we're making, make it easier for us to get to the goal or making it harder. So then instead of we could set what our goal is on the status quo and as we make decisions on the dais and the private sector we see if we're moving bought forward into more ambitious or are the decisions we're making moving it forward and/or moving us back.

[3:44:17 PM]

So give us that spectrum so that we could make as informed decisions as possible. I think would be sort of --

>> I think that's a good suggestion because I think that we spend tules R. Tens of millions and billions of dollars on transportation. So I like your approach. I think we should understand what those Numbers are and not let that turn us away from actually identifying what those would be.

>> Absolutely. So Jonathan, what we need to do is we will put that 48,000-dollar number up there and we will do the math on what that costs. So maybe that's our opening slide. As we take this on the road is to let everyone know this is -- I often like to think how does public works do their capital program? Because we have general obligation bond funds. I always want affordable housing to be ultimately seen as standard operating capital improvements. And so I offer like to think what does capital improvements do. Streets and drainage we'll invest in that all the time. We don't get close to investing the amount of money they need. You can go to them any day of the week and they will tell you without question they need billions of dollars -- if they wanted to do everything tomorrow they could give you that number. And I'm hearing you say that's what you would like from us. We can do that.

>> Casar: And I think then the idea of \$56 million annually, which as you said can be an uncomfortable thing because it's way more than we're doing now, seems less uncomfortable when the need is actually --

>> Billions.

>> Casar: A billion dollar bond yesterday, right? So I think that if we see that spectrum that it will be instructive.

>> Kitchen: The other thing is these Numbers are not necessarily what we have to spend. I think you said a minute ago it's what the community invests, right?

[3:46:22 PM]

[Lapse in audio]. ... Every year in housing, period.

>> Casar: And I think does it also take into account how much private capital and other things? Or this is just our number? Is this the city's number?

>> It would provide private capital as well and any kind of development agreements or incentives through regulatory.

>> What per unit number did you use? I'm just curious.

>> It was the same as the 2006 general obligation bonds, which was roughly \$16,000 per unit.

>> Oh. Then that does not include the private investment. That's -- if you use 16,000 a unit, that was our investment. So a 3500 times the 16 is -- no, that does not include the private investment, the other half of that.

>> Casar: We could get that in two different columns. As you mentioned in new York, whatever -- is that more private money then they got to participate. So we have a little bit less control over that even though we have some.

>> How would this number relate to -- say if there's a development that has designated X number of units for affordable housing? Does this 16,000 relate to the cost of their developer or no?

>> That 16,000 is the average per unit average investment that we utilize for the general obligation bonds, the first 55 million when you take it all across, we invest it on an average, 16,000 a unit. So does that also include the go repair?

>> This is flat looking at the general obligation Gonzalez.

>> So that's whether it's preservation or new. So that's -- that's not necessarily -- that's not going to tell you anything about the private market.

>> Kitchen: So if you had 48,000 -- I'll stop in a minute because I know I could talk forever. If we had 48,000, for example that, we needed, that could be a combination of housing that we pay for or housing that the private sector designates in their -- in their developments, for example.

[3:48:28 PM]

So it's not necessarily going to add up to the total dollars that we're talking about.

>> What I recommend that we do is probably an average per unit cost, a ballpark 175,000, give or take. But we'll do more research on that. That's all in, whether we pay for it, the private market pays for it, someone else. On the average probably a 1,000 square foot unit, nine hundred, whatever, is probably about 175,000?

>> To build?

>> To build, rental or home ownership. I don't know for sure if that's the number. That's just kind of what I've got in my head right now, but we would want to find that out. That's the number we would multiply. That's the number we would multiply. The 16,000 is a tiny piece. To build a new unit is probably 175. That's the 48,000 times the 175,000. That's the big number.

>> Kitchen: It may be that -- it would be helpful to present the information to us in a way that shows that kind of breakdown.

>> Absolutely.

>> Kitchen: I'll stop.

>> Any other questions? That was the last slide.

>> Casar: We're very clearly interested in this. Of the major themes from stakeholders are there -- were these -- some of these themes included and some of them not?

>> Some are currently in progress. Like as I mentioned, I feel like we did make the data more succinct. We did do some feasibility scenarios, but we'll continue to do more based on the feedback we've gotten here today. We did look at the historical housing production over the last three and five years. We went as far back as 10 years actually. We didn't really look at things on a council district level versus --

>> Casar: I think the zip code is -- seems to tell the story even better, on a smaller level. So anyway, I think that makes sense to leave it the way we did.

>> Look at the peer cities. We talked about doing regional demand modeling, but that's something that will be a little bit more difficult for us to do and would take more time if we had it.

[3:50:33 PM]

The smaller household size we would take in consideration when calculating the mfi's because when you're categorizing a household the mfi level is based upon the number of persons in your household. So it could be skewed if you're use case the standard four-person household, whereas in Austin the average size is about 2.4. We're going to be fleshing out more subpopulation goals based on some of the feedback we've gotten. Looking at students, the housing market study did not include students in that gap analysis. So we also did not account for that. And then coordinating with the disability community, those stakeholder meetings have yet to occur, but we'll continue reaching out to them.

>> Renteria: Any other questions?

>> Casar: I think my last comment would be that I'm -- to sort of echo part of the conversation that councilmember kitchen and I had, it's just stating my interest in once we have the actual plan that we continue to have some way of referring back to it such that when we make decisions on affordable housing, how much we invest, also we make decisions on the land development code, that we have some way of making reference to this is helping us get closer to the goals set out in the plan or it's achieving the goals in the plan easier or the opposite. So that it's not just something that, well, this is our goals and we see it maybe once a year, but instead it's something that we're consistently referring to and that we feel strongly enough about that we feel comfortable talking about it every month on the dais when we make decisions that probably impact our ability to get to the goals.

>> I think that's a great idea. Thank you.

>> Renteria: Thank you. And the next item is number 6, an update from the staff on the future Austin housing finance corporation board or the Austin city council agenda item.

[3:52:48 PM]

>> Okay. On October the 1st we're actually going to bring forward -- we'll have several council action items and we'll have numerous board action items. There are going to be two council action items and four board action items all related to the same transaction. I'll give you a little bit of history on it and it will all be in the rba's and rca's. There will be a budget amendment, we'll bring forward a budget amendment. We had two tracts of land on 12th street that we sold. The proceeds from that transaction we are going to reinvest in another project on the Chicon corridor. So it's a project we've already previously invested in. There is a shortfall and we need to contribute -- the developer has requested some additional funds. We felt it most appropriate to use the proceeds from the sale of the land on 12th street to go back into the same neighborhood for this project. So that's going to require a budget amendment. We have to receive the money, we have to have the money in the budget. We have to put it into the service agreement. We then have to take it on the finance corporation side and then we also have to commit it to the project. So it's a lot of different items that are all related basically to the same transaction. So we'll have all of that, all of that information will be in the backup of the rba's and rca's, but that will be coming forward on the 1st. We'll also be bringing forward -- we had a notice of funding affordability for our green and healthy homes initiative in the holly area. Those we'll be bringing forward in an rba and then we have several bond transactions, two of which you've seen quite a few times, the Aldridge 51 and then the timbers apartments. Both of those are going to be approval to issue the bonds and then we're also going to be requesting setting a public hearing -- that one is going to be on the eighth.

[3:54:48 PM]

There is set a public hearing for another project, Colorado creek, which is in district 2, I believe, and that's another bond transaction we'll have in future. Those are our items.

>> Renteria: Any questions? Thank you. Members, I want to run this by y'all. Our next meeting is going to be October 28th, and because of -- in November and December we're going to be looking to the holidays, Thanksgiving and then the Christmas holidays, so we looked into -- I looked into changing the calendars around and found out that there's an opportunity to have -- change our meeting to November 18 at 9:00, and on December 9th at 3:00 P.M. So if y'all could look into your calendar and see if those dates would work for all.

>> Kitchen: The November one works for me.

>> Casar: You said December 9th?

>> Renteria: At 3:00 P.M.

>> Casar: It looks like your staff has done the good work of getting it affixed on my calendar. A quick shout out to Pio's staff.

>> Renteria: All right. So is there any other discussion? We can proceed to adjourn.

>> Casar: Oh, on the future agenda items I do want to bring up and would be excited to work with members of this committee on housing relocation agreements because, as folks saw on the news today, councilmember Renteria, Garza and I, went out on Riverside where some apartments -- where lots of low income folks are being demolished and people there told us that they've got nowhere to go and a lot of them don't have the funds to make deposits or to get to some housing for their family.

[3:57:02 PM]

So I know that prior councils have discussed a policy on this related to demolition permits, and when we're ready I would be interested in having that conversation with y'all.

>> Renteria: I would love to have that. Any other? And we always can before our next meeting, if you have any other items, just let me know.

>> Kitchen: I have another item. I'm not sure when it will be coming back to us. And that's the -- it has to do with the repeat offender program. And the -- part of it was the fees related to it. We had some discussion during the budget process if there would be a cost of services analysis going on. So I'm not certain what the timeline is for that yet, but that will be coming back to us maybe December. And then also related to that there was some other recommendations made from the UT study related to the repeat offender program so I'm looking at bringing back a few of those. But I'll get back with you about timing for that.

>> Renteria: Great. Do I hear any other? So it's 5:13. Do I hear a motion to adjourn? We're adjourned.