

Housing and Community Development Committee Meeting Transcript – 02/10/2016

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[2:09:45 pm]

[Gavel pounded]

>> Renteria: Good afternoon.

I'm councilmember Renteria.

Quorum is present, so I will call this meeting of the housing and community development committee to order on Wednesday, February 10th, 2016.

We're meeting in the council chamber, Austin city hall.

301 west second street, Austin, Texas.

And the time right now is 2:09.

Members, before we get started on the citizen communication, there was a request that we take item 6 first because there's a guest speaker here.

And it's the briefing on the Texas department of housing community affair qualification allocation plan scoring criteria.

So if it's okay with the members can we do that?

Okay, we're going to change our agenda so that item 6 will be the first item that we're going to take up.

Before we do that, I want to call the approval of minutes.

>> So moved.

>> Second.

>> Renteria: the motion has been made and seconded to approve the minutes.

All those in favor?

It passed unanimous.

[2:11:45 pm]

>> Renteria: okay, we're going to take up citizen's communication.

The first speaker signed up is Stuart Hirsch.

Welcome.

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

My name is Stewart Harry Hirsch.

And like most in Austin, I rent and I provided you a copy of my remarks to the chair.

I welcome a conversation about decision making and fee waivers from the water utility of pilot knob.

In 2001, a year after smart housing was adopted, an owner named Rick Shelton proposed to build 4,000 smart housing units in south Austin, east and west of I 35. His total fee waivers would exceed the annual cap.

As a city staffer, I knew that we couldn't ask the council to consider an ordinance with fiscal impact without review by both the water and wastewater staff, that's what they were called at the time, and the water and wastewater commission.

We received favorable recommendations from staff and commission and were heading for council for approval.

But the water utility staff changed their mind on financial impact to the water utility and the deal died. 15 years ago, an affordable housing staffer was as likely to get a smart housing deal approved by the city council over water utility objections as I was as an individual going to be able to negotiate a settlement between the Palestinian authority and the Israeli government, and this may be just as true today.

So let's invite the public to appear before the water and wastewater commission and the council utility committee to talk about fiscal impact.

And let's talk about the council affordability here at the housing committee and at the planning committee and ask the following questions:

One, why is there no smart housing at the triangle, seaholm, green, Rainey, the pool yard, amli and Robertson hill.

What is the total amount of city cost participation at Mueller by not collecting property taxes compared to costs of pilot knob when Mueller guaranteed the city only one year of affordability for home ownership housing and five years for rental housing and pilot knob provides permanent affordability through the community land trust tool?

[2:12:45 pm]

And, most importantly, number three, why should the water utility be the lead department on this decision?

Thank you very much for your patience.

>> Renteria: thank you.

>> Gallo: you are such a wealth of historical knowledge.

I have got a question for you.

So Stuart, right now on the smart housing, there is a tiered schedule, so at 10% affordability it's 25% fee waivers.

When did we get to the point that the last trust and outside the city limit triggers 100%?

>> after the affordable housing incentives task force made a series of recommendations, the council resolution and fee waiver ordinances were changed in 2007 to reflect the current policy on the 25% tiered system and to add community land trust because while we didn't have any pending at the time, there's a recognition that that was going to come forward and so that was all incorporated after the 2007 recommendations came in.

So that if in the future we got one of these kinds of deals, there would be a clear process by which people could or couldn't qualify for fee waivers.

>> Gallo: so both were done at the same time.

[2:14:45 pm]

>> Yeah.

>> Gallo: both the regular tiered and the tiered schedule well, actually it's not the tiered it's 100 percent.

At 10 percent affordability.

>> Right.

Well, the tiered schedule actually was adopted on April 20th, 2000 as part of the original smart housing resolution and fee waiver ordinance.

That was then codified as part of the land development code in 2007, along with bringing in for the first time the fee waivers related to community land trust.

>> Gallo: okay.

So it the land trust provision came in later than the original

>> Yeah, as far as I know, it hasn't been utilized to date.

So there isn't a lot of experience on how you calculate numbers, how does that relate to the 1500 service unit equivalent cap and all of those other kinds of things.

And how do those get allocated each budget year as people apply for permits.

Because generally people don't build their whole development all at once.

>> Gallo: uh huh.

I think that was what probably caught some of us off guard.

That we weren't talking about the 25% fee waivers for the 10% affordability.

The other had triggered in and all of a sudden we were talking about 100% of fee waivers for the 10% affordability.

So I think that this conversation is good because I think it has now made the councilmembers more aware of that.

The other question that I have was answer I'll think of it in a minute.

[2:15:50 pm]

>> Kitchen: okay.

This may not be a question for you, Stuart, but we continue to use the term waivers and I understand that that's the term that we are using, but it may be a little different than what we typically think of as a waiver.

It's not that the developer doesn't pay; it's just where the money goes.

>> That's not the ordinance that was adopted in 2007.

>> Kitchen: okay.

>> The concept is, normally what I do when I apply for a zoning change or a subdivision or a site plan or a building permit I pay certain fees.

>> Kitchen: right, uh huh.

>> If I get smart housing certified under certain criteria, instead of cutting a check, I don't cut a check. So it is an absolute full or partial waiver.

If 40% of my units meet the reasonable price test of smart housing and all the units in my development are all meeting smart housing technical standards, then I get 100% fee waivers. Ok.

If I'm doing it like people do in university neighborhood overlay where only 10% of the units are affordable, they pay 75% of their fees and 25% get waived.

>> Kitchen: uh huh.

>> So the money doesn't go anywhere because the city never receives it.

>> Kitchen: ok. So this is a little different than the whole pilot knob.

Sounds like some kind of amalgamation.

It's not exactly that way, the money does come to us, but it goes into the land trust.

[2:16:30 pm]

>>yes. Betsy spencer. The fees for development services on the water utility are waived to where they don't write the check to them.

Builders make that payment to the developer who will put it in the land trust.

The fees are being waived and in the sense that the water waiver is applicable, it's going to the trust.

Does that make sense?

>> Kitchen: I think I understand.

The only reason I say that, the term waiver in the generic sense for the public is thought to mean they don't pay anything so it's a waiver, but they're still paying.

It just goes into a different pot.

>> I'll take it down to one single family home.

If I'm a builder and going to get smart housing certified, I would, in fact, not have to write that check.

>> Kitchen: okay.

>> so as the developer, I do not have to write that check but when I have a builder come and build a home, that builder will pay me that fee.

Instead of me paying wastewater and development services, I put that into the trust and put back into the development to provide the affordability.

Make sense?

[2:18:50 pm]

>> Kitchen: yes, in a makes sense.

>> I think in the case that isn't a zoning change, there's no intimate or additional benefit given to a developer and so incentivizing people to go into the market that's affordable may be not deeply affordable but somewhat affordable in the sense we're incentives we're willing to give.

In the pud case we were giving broad land use decisions and changes, there was a lot of benefit contemplated in the development and asking for affordable housing in a pud is a normal thing to do.

And so we used the fee waiver mechanism as far as I understand in order to move the money from wastewater and development services into the affordable housing fund.

So I think what is described here is certainly the case on some of these non puds and that's an important process and the question I brought up at work session is the same question he brought up which is it just the water department or other forces

>> [inaudible] the next speaker is [inaudible]

>> Pool: go ahead.

>> Thank you.

My name is Stephanie and I'm here to draw y'all's attention to a study done by Professor Jake Wegman as part of the community and regional planning program at the school.

They are looking at the concerns that have evolved due to the proliferation of online urban vacation rental which is we commonly call short term rental type two's and because of the proliferation, two concerns have emerged.

One, housing market effects and, two, neighborhood quality of life effects generated by introducing tourist accommodations into residential districts.

And so a study was conducted using data from airbnb alone and four findings emerged.

Airbnb are highly uneven.

[2:20:50 pm]

Two, airbnb patterns are racialized and three, the listings are abundant, hosts holding more than one listing are substantial.

And Austin, 30% and 47% of the revenue generated for airbnb in this area.

And fourth, citywide housing market effects appear modest in five cities except possibly San Francisco but, however, the real concern exists at the scale of particular centrally located seven day highly sought neighborhoods where vacancies are scarce and airbnb listings are abundant.

Likely due in areas where there are high concentrations of airbnb listings.

We ask him to investigate the zip code and the listings there were offer the charts.

So this is census tract 10 instead of 78702.

And based on the 3% cap we should have in this tract, there should be 33, there are 72 on airbnb alone.

So given the proliferation of them in 78702, this should come as no surprise of the 10 elementary schools predicted to have the greatest decline in enrollment over the next 10 years, six of them are in 78702 and all 10 of them are in south central and east Austin.

So we hope you take these pieces of information and consider them while you think about str 2's and their effect on our city.

>> Renteria: thank you, David.

[2:22:45 pm]

>> Thank you.

You know, I know that we've talked about str's a lot, I'm sure you can't wait for the next day when you can get up and think about and talk about str's.

But I make that point not lightly because I know this is an important issue and I appreciate the hard work that 'El are putting into this problem to try and make the best decision.

You know, when we've looked at housing affordability and the crisis we have in Austin, we're making tough decisions, to redirect our water utility fees to help with the affordable housing.

That's a tough decision.

What effect does that have on ratepayers and it's a tough decision and we have to make those two choices and we're questioning whether or not there's discussion do our environmental regulations have a negative impact on affordability too.

These questions are valid questions that should be asked.

But that's where we're at in affordability, yet we have a problem with type two's that there's no doubt they have a negative impact in neighborhoods where they proliferates.

[2:24:45 pm]

And every single one of them takes a house off the market that could be used by a family with kid that's could go to a neighborhood school and especially when the market is so tight.

Every single house we can put on the market is going to help with that problem.

I've heard some of you say that same thing on other strategies.

Every single house matters.

That also applies here.

I think that you've heard the analysis from Wegman, it proves what I've been saying.

If that fact won't change if we wait another year.

It will still be true if we wait another year to make the decision what are we going to do with type two's in our city.

I say now is the time to make that decision.

Let's make the decision now and say okay, you have five years, giving you warning.

Five years and you have this time to transition.

And you know the concern that they're going to go underground.

They're already underground as you know.

And no amount of regulations are going to change that fact.

What we do so is require airbnb to collect the hotel taxes for us and then we can mine that data and compare it with our licensed registered str's and see if they match up.

You would expect if they're licensed they'll have hotel occupancy taxes and if we see they're not registered ding, ding there's something we can look at.

[2:26:45 pm]

That would be a strategy to attack that problem for those that were concerned about going underground and you know, with the type two, you're going to want to advertise, that's your business. You want that rented as much as possible because that's a full time business for you so you're likely to advertise on airbnb or homeaway.

I think it's important for them to collect our occupancy taxes.

They do it in Malibu, Portland, North Carolina, Oakland, Palo Alto, phoenix, Santa Clara and they can do it and the list is growing and it's a good tool for us to use. Thank you very much.

>> Renteria: thank you.

Ok, we're going to we're going to change to item 6.

A briefing.

>> Good afternoon, chairman and the members of the committee.

I'm with the Texas department of housing and community affairs.

With me is Mr. Tim Ervin, our Ervin, our executive director and thank you for rearranging your agenda so we can get back to work this afternoon.

We were asked to come and talk with us about scoring criteria for allocation of tax credits and in particular, the opportunity index and how that's impacting development within the city of Austin.

I get [inaudible] okay. >> Renteria: excuse me. There's a packet in your

>> Yes.

>> Renteria: in the back of your packet, there's okay.

>> okay.

So briefly, the housing tax credit program works by providing private investors with a dollar reduction in their federal income tax liability.

It's a credit on the bottom line for taxes.

That equity from the investors subsidizes development cost so that owners can provide units at lower rents.

This authority is allocated to states by the IRS.

In the state of Texas in particular, competition for tax credits is really high.

The demand is really high.

We've received 389 pre applications this year.

We received about that many last year.

And wound up with ultimately somewhere between 50 and 60 awards.

It tells you something about the demand for those 9% credits.
So funding.
In 2015, we had \$63.5 million and 9% credits.
This is just 9%.

[2:28:50 pm]

That \$63.5 million translates into \$63.5 million invested in affordable housing across the state. There are a number of restrictions of the federal government requires us to allocate at least 10% to nonprofits. Additionally, tax credit development have to allocate at least 40% of their units for how olds at 60% or 20% for households at 50% of ami. The reality, generally, there are far more units allocated than that 40%. And it's not unusual for us to see developments that are 100% low income. All of the units will have a 30 year minimum affordability period. In addition, there's state set asides. We're required to set aside 15% of our alteration for at risk developments. These are specific sets of developments that have been previously funded by certain fund sources and are at risk of losing their and there's 15% this goes to USDA transactions. Smaller rural developments that we're trying to preserve that affordability and there are regional set asides. There are 13 regions across the state and within each there's an urban rural set aside. Okay, the qualified allocation plan. This is our governing document. This is the rule that we use to determine which developments will receive funding in each cycle. The qep is required

[2:31:18 pm]

By the internal revenue code. Every state has one. They look different. It is updated annually. We could update biannually, but every year there's tweaks. It includes scoring criteria and it also works with other requirements in the multifamily rule, things like underwriting, applicant and site eligibility and our asset management rules which is our post reward requirements. It's not just -- it's that whole body of rules. The scoring criteria within the qap fall into four broad categories. Promoting development of high-quality housing. Serving and supporting Texans most in need. Promoting community support and engagement and making efficient use of limited resources and applicant accountability. Our highest scoring items are determined by statute. We call these the "above the line" items. The priorities set in place by the legislature. No criteria score may exceed any of the score for statutory items. These are -- line items. You see they start with financial feasibility and go down to community support by state representatives. The second item, local government support at a potential 17 points is where you all come in. In one place, and then below that line, the other place that you have participate is local political subdivision support. The past year, that's been a higher scoring item due to statutory changes out the last legislature, that's now one point. At the top of the below the line scoring item, scoring ranked 11

[2:33:19 pm]

Is opportunity index. So scoring criteria for high opportunity areas with available and previous gaps, the item was balanced with other items like concerted revitalization and didn't have the focus that opportunity index has now. The 2013 gap is what brought about the big change. >> There are some differences between urban rural measures. There's a focus on income poverty levels and schools across both of those. Educational excellence is another scoring item that also impacts on opportunity index. So -- Four urban opportunity indexes, the range is one to seven points. The number of points is dependent on income compared to the metropolitan statistical area, or that census tract and the quality of schools or the schools the attendance zone for the development. On the rural side it's one to seven points, quality of schools is the highest priority. After that is proximity to services and facilities. It's a different measure on the rural side. This is what mapping the 2015 gap opportunity index looks like for Austin. The green areas are seven point census tracts. The beige are five point census tracts. This was last year's gap. The 2015 gap as a six-point scoring item that doesn't open up anymore tracts. It just further subdivides the

[2:35:24 pm]

Five point tracts so the 2016, there aren't more areas that are eligible under that scoring criteria. >> Casar: are the red dots housing developments. >> They're schools. >> Casar: great, thanks. >> let me show you development. This map was produced by hud. This is part of their assessment tools as they have changed the way they're looking at fair housing and they're providing a set of tools to communities across the country so they can prepare their assessment of fair housing. We're going to this assessment from the old analysis of impediments and hud has compiled all of this data for us to use in making those assessments. The large purple dots on this map are tax credit developments. The blue dots are public housing. The big orange dots are project based section 8. Each on the small defaults -- each bluff one represents 75 Hispanic residents. The small orange dots represent -- each one represents 75 white residents. You can see very clearly the result of the work we've done in the past that's been focused on community revitalization rather than opportunity. So we've just started our 2016 round. We've received our preapplications. For hays, Travis and Williamson counties, these are the census tracts, we don't necessarily have good addresses to pinpoint where each preapplication is. This is the census tracts they're landing in. We have about just over \$4 million to invest in urban

[2:37:25 pm]

Development in region seven for this year. Right now, we have \$20 million worth of preapplications. There are 23 pry applications in the region as a whole. Six of them are in Austin. Two of those are those at-risk developments, so they aren't competing with the other ones. That's really all I had prepared for a formal presentation. Can I answer any questions or provide any additional information? >> Renteria: I want to thank you. Do have any questions. >> Casar: I have a quick one. And I think it's more of a brainstorming and calls for help. I think we've had a lot of conversation over the last year about getting more 4% and 9% projects in certain parts of west Austin where the property value is really high and reef recently designated more funding for helping to do that and, hopefully, more and more if we think of more ways to dedicate more city funds through tiffs or our budget process and I wonder how potentially from 'El, I see -- I see that financial feasibility is the number one above the line scoring criteria for obvious reasons. >> Right. >> Casar: and I imagine it is the same for the 4% properties where we've seen -- those come across our desk they get less subsidy. The 4% deals have less equity because it's a 4% rather than a 9%. The other important difference is that the 4% credits are not competitive. And they are -- so there isn't the pressure to get those points. We do have a point structure available if we reach - get to a point in time where there's so much competition for our private activity bond that's we're

[2:39:26 pm]

Having to allocate according to a scoring criteria. That hasn't happened in -- that hasn't happened in years. Part of what thrives at this point, the 4% deals into areas where the 9% deals won't work is really obviously it's because of that scoring. And that's just the way of the world as it sits right now. I will tell you that moving forward, we are currently working on the 2017 qap. Working with the development community and stakeholders, probably a lot of folks you know who are developing in the Austin community. Not this month but next month we'll be taking up opportunity index location issues and that have, taking up opportunity index population issues and looking at whether these criteria are really getting us to the kinds of developments we want to participate in. I will tell you that at our last meeting about the 2017 qap, one of the things we received from the group is to look at scoring items for rapidly gentrifying areas. Central east Austin, the city has done such a great job on the -- it's a different set of needs and doesn't score under opportunity or concerted revitalization, what do we need to do to accommodate the needs of residents of that part of the city. >> Casar: that's one of our concerns, but potentially -- you said that's where the world is right now, the 4% -- the numbers don't pencil out quite as much for us to get those applications in high-opportunity areas. Something that I think we're interested in thinking about. If there's a way the city can bar or help on those that we're without matching city dollars or support in those potentially

[2:41:28 pm]

Gentrifying areas where it makes sense to make the investment but how do we make it work in other higher priced parts of town. I think several of us are interested in having that conversation and I don't know how it would work yet but I think we're willing to take a shot at. >> Yeah, I don't have easy answers but absolutely we would be happy to continue that conversation. I think it's an issue not just in Austin but in other cities across the state. As part of our charge is -- is to address those needs wherever they arise. >> Casar: thanks. >> Renteria: I just want to recommend that we have councilmember pool joined us on our dais. >> Pool: thank you, I'm here to listen in a little bit. It's a great idea and something that I support. Part of district 7, an area that could consider rapidly gentrifying as well and frankly, a little bit west of that. I think a lot of times when we think of gentrification, we think of central east Austin and the east side of i-35, but the reality it is in many other parts of the city and one of the things I appreciated about the initiative coming from the chair and the support from my colleagues is that it does target areas that are west of that. So that we can try to address fact and make the housing available to folks who live in other parts of town too. >> And create more choice for housing. That's really the key to all of this. The concern with gentrification is what do we measure when and that's what we're trying to figure out right now. >> Renteria: [inaudible] >> a question about the scoring.

[2:43:30 pm]

>> Uh-huh. >> If I'm -- the second page, the items below the line, the items that we have some discretion on. >> We do in the rule-making process, yes. >> Kitchen: and so can you tell me what -- the extent of the fact is? I recognize some of these are only a few points, probably don't make that much difference in the scoring. Actual u actually they do. >> Kitchen: do they really. >> A large number of our applications come in at exactly the same score and -- tiebreakers. >> Kitchen: what's the extent of the -- extended affordability reference. >> Extended affordability would be the applicant agrees to impose or allow imposition of an extended affordability period on the development. >> Kitchen: okay. >> So it's like it sounds. Exactly. Okay. >> There was another one you mentioned? >> Kitchen: no, that was it. I have a

question about the process. You mentioned you're working on the qap now and you mentioned the rule-making. Does the qap go through a rule-making process? >> It does. This is actually the first year we're starting this early. We've heard from the development community, we've heard from units of government that -- that they would like to have more input earlier in the changes that we make annually to the piece. We're starting early and taking up a different topic every month. In the past, we've presented a draft qap to our board of directors in early September. We're hoping this year we can do that a little bit sooner. But I can't make any promises at this point. As we're going through applications -- applicant cycle, and all of those things, it's a huge demand on staff.

[2:45:33 pm]

Ultimately, the -- our final deadline is the governor must approve the qap on or before December 1st. >> kitchen: okay. >> It's an annual rule-making process. We look at the qap and the multifamily rule, that cover underwriting and eligibility and all of those things and we take up bond rules. We're very rule-driven division. >> Kitchen: okay. >> I wanted to add, the 2017qap process, we have invite participation of councilmembers or neighborhood housing staff or any other stakeholders that would like to have a hand in that process. >> Renteria: councilmember -- >> thank you. So I wanted to go back to the geographic location of our affordable units. Housing works has done great demographic studies and broken them up by district so that we really understand the affordability and the issues we have with that specific to different geographic locations in the community. And what jumped out at me and I appreciate Greg mentioning this, because it's a conversation we're going to continue to have and I will continue to have, when you look at the percentage of affordable units in Austin, only 1% are in district 10. Only 1% in district 6 and only 1% in district 8. The areas that are west of mopac only have a total of 3% of the affordable units and I'm wondering as you talk about the opportunity index location discussion, is that an area whereby the city can become involved so that that criteria for the dispersment of options of affordable housing is spread more geographically evenly through a city? Is that the place that would be

[2:47:35 pm]

Most beneficial for us to be involved in the conversation? I'm asking, it's obvious the problem we have for the -- >> the map -- math is really clear. >> Gallo: as we talk about mobility, we know over and over again, the issue of mobility and traffic congestion and affordable housing intersects all the of the time. When people that work are teachers and school employees and retail workers work in the western areas of town, which are more expensive to live in, if they cannot find affordable units then they have to travel many, many miles and often these are parts of the populations at the lower wage scales, so the cost of gas and car maintenance is even more of an impact on them. My question, where can we be involved in that process that we help the criteria, be at least taken into consideration, more the geographic dispersment of these units. When we take up that discussion, the month after would be the way to provide that input. The -- and I'm going to be real frank with you. One of the items we're going to be taking up at that meeting is opposition to affordable housing and high opportunity areas and how members of the development community are facing those issues and any tools they've been able to find to deal with them. Frankly, there are a couple of scoring

[2:50:33 pm]

Men I think you need to take on a deep and meaningful understanding of fair housing laws and understand and embrace them and adopt sound policies that are consistent with fair housing premises. I

think that's central to your success to our success tonight and I think the messaging is just critical. The typical household leaving in a 60% unit is a hard-working household that makes a good wage, puts in a valuable service in our community. Just doesn't necessarily make enough to live in our increasingly high cost rental housing in this community. The issue the choice is just so important. I mean, the idea that your teachers live so far from your schools and teacher aides and assistants and people working in the grocery store and retails and people driving the ems trucks. They're part of this community, an important part of this community and we want them to have great housing and, hopefully, be close to the places they work. We want their kids to go to great schools and want them he to go to sleep in sa >> any other questions? >> Kitchen: one quick one. Just a question on the scoring criteria. The proximity to

[2:52:48 pm]

>> Renteria: we're constantly being asked how these people are going to move around and get to their jobs if it's not next to a transit area. >> Right. >> Renteria: I'm glad you're looking into that. >> we are looking into it, but I would say two things, first of all, the vast majority of households living in affordable housing have their own cars and that's the primary means of getting around. And also, not necessarily in Austin but historically in large cities, public transit lines and you align with areas of low-income and lower opportunity and quite honestly, as we develop more focus on higher opportunity, it was difficult to reconcile the transit matrix with what we were trying to achieve. >> yes, I have would say that's a chicken and egg situation and if we continue to -- continue to have two sides, transit and housing working separately, and neither one wants to, you know, make a change, then we're never going to get that working together. And it's not -- you know, the concern about location and transportation is not a concern about whether people have cars or not. It's not a concern that thinking people don't have cars. It's making sure that people have options. Whether it's a car one day or transit another day or some other way to get around. So -- anyway. Could I just ask that -- you mentioned a couple of times or meetings and things we might be able to get involved in. Could you send our offices more detail about that. >> Absolutely. >> Kitchen: okay. When and where and that sort of thing. >> Absolutely. I'd be happy to. >> Renteria: thank you. >> Casar: one last quick question. When you mentioned one of the stumbling blocks that you have been discussing have been the scoring points that -- the way folks can lose the points necessary to compete if there is

[2:54:49 pm]

Neighborhood opposition or opposition from the state representative, that's written -- are those pieces written into the statute? >> They are the above the line items. >> Casar: the last two above the line items. >> Quality final community participation, that's input from neighborhood organizations and community support by a state representative. And as a nine point item and eight point items, if the applicant isn't able to come in with those points, the chances of them being competitive are slim. >> Casar: how often would you say that that -- somebody doesn't get one of those and gets knocked out by one of those in the state and then in our area? >> It's really hard to say. >> Casar: but it happens every once in a while. >> It happens, we hear about it anecdotally than empirically. We had 3891 preapplications and we'll have a couple hundred maybe full applications submitted and part of the evaluation process, developers go through, they're making a decision to go to the full application, can I get those points? >> Casar: do you don't get many applications that are missing those because they know they wouldn't make it. >> Right, exactly. Potentially, some of the smaller rural subregion, they might be able to make something happen. If a deal falls out or something like that. We've seen that happen. I don't believe we've seen any in Austin that have come in without those scores and Austin is such a competitive market I can't imagine it would happen. >> Casar: when you talk about the

community participation, based on -- on the neighborhood organizations, can you describe how you get those points or don't. I think it's clear whether or not you get a letter of opposition from a state rep. >> it's the same thing there a neighborhood organization. >> Casar: just a letter? >> A letter of support or opposition. >> Casar: when you're having

[2:56:49 pm]

Conversations about it, do you mean you can modify it administratively or storm watchorial. >> We cannot make changes to the statutory items. >> Casar: I think that's something to discuss as we develop our legislative agenda for the city and we'll note that in the record and maybe once we get to shaping that for next year we can talk about it. Thank you for having brought it up and, of course, if we're thinking about putting it in our agenda, we'll be in touch with you it. It hasn't come back to council, but if you want to send us some language or ideas, we can get it in the draft. Send it to us or to ray. >> Casar: my idea is just get rid of those items and put something else. >> Kitchen: okay. That works. You don't have to send us anything. I've heard it, so. [Laughter] in fact, I'm going to send an e-mail right now. >> Renteria: members, any other questions? Thank you very much for that report. >> Thank you. And I will forward the information about our planning process. >> Renteria: thank you. Okay. Now we're going to go back to our agenda. Next is item 3. Consider and develop recommendation for a resolution related to the identification of additional homestead preservation district and homestead preservation reinvestment zones. >> Casar: chair, as we have learned from designating districts a, b, c, and d, I think, those were based on the data in a we had from 2011, but

[2:58:52 pm]

We'll wait past 2011, and so I understand that staff have some ideas that 2013 and 2013, based on that demographic information, there are more areas eligible to be designated hpds, and I think we should consider as many as we can, since we put together a pot of funding to provide affordable housing tools and hpds, I would like for our staff to have as many options as possible. I have a resolution I just passed out that essentially asks our staff to finalize the analysis based on 2013 data. It asks our staff to bring ordinances to the city council in April for us to designate those new areas as hpds and to bring the recommendations, and then finally it asks our community development commission sort of on its own independent track to start thinking about how we can best use the funds we designated in December to combat gentrification and promote economic integration and all of these areas. So I don't know if our staff have anything to add. I know you all have seen the copies of the resolution, but essentially the hope is that we can start working sort of on the whole crescent. >> Gallo: I have nothing else to add unless you want to put the map up. >> Casar: sure. You can put the map up in case anybody's interested. I've got a copy over here. If there are questions from anyone? >> Renteria: I just want to -- I notice your potential designate I or I -- I, I guess, where is that on the map? >> Casar: that's right here. >> Renteria: the lines? >> Casar: yep. >> Renteria: okay. >> Casar: and for those of you who couldn't see potential district I is further south of montopolis, right, stretching

[3:00:52 pm]

Down to 71 on the southeast side. >> Kitchen: I'm sorry, I'm just trying to orient myself to the map. >> Renteria: the line on it. >> Kitchen: So wheres the -- this is all east of 35, or is this -- >> Casar: yeah. 35 runs down the medal of the map. >> Kitchen: so the left side of the yellow is 35. >> Casar: that's right. >> Kitchen: okay. Okay. >> Casar: so this is the areas that qualify under the statute using our 2013 census data. But the city staff is still finalizing it, is my understanding. >> Kitchen: yeah. Okay. Okay. >> Gallo: so

what we would like to do on this is just go back, confirm, finalize our numbers, make sure we didn't miss anything, and then we'd be prepared to bring that back. >> Casar: actually, I do have the same question as councilmember Renteria now. Which one is I, which is straight green without hatch marks? Would I be sort of the combination of b and c? >> Oh, I think I can clarify. I'm planner with neighborhood housing, and I made this map a while ago, so the, I guess, 4a through e there at the top, all but district e have been created at the time that the map was made, they hasn't, so that's why they are called proposed. And then the analysis was really to see what tracts would qualify under the 2013 data. So that's why potentially hpd-i, which is everything that is in green, is actually the same as districts b and -- yeah. Or c and b. And they've already been created. So there's -- >> Casar: I understand. >> We need to create another one the same --

[3:02:55 pm]

>> Casar: okay. >> Gallo: so I guess they could be combined. Is that what you're saying? >> Casar: since they're contiguous and they have to be contiguous, we could make it one or -- I understand now. Sorry about that. >> Kitchen: this is probably a question I should know the answer to, but we are using 2013 data because that's the latest? >> Correct. >> Kitchen: okay. So we don't have projections for 2014 a or 2015? >> I believe they do that like every two years? Is that how they do that or -- >> the data at the census tract level -- excuse me -- level is from the five-year American community survey. >> Kitchen: yeah. >> So at the time that this map was made, the latest was the 2009 to 2013. >> Kitchen: what's the latest now? >> I'm not a hundred percent sure, but we could use the latest to finalize the analysis if it happens to be 2010 to 2014 data. >> Kitchen: yeah. I don't remember enough about how sensitive the timelines, but if there's not any objection, I'd rather use the latest that's available. >> Casar: what I would ask is for us to use -- since we sort of have a grasp of where 13 is at, is for us to use that if we can, and then maybe staff can let us know how it changes, if we move to the next survey, part of what we want to make sure we're doing is -- example, district a no longer qualifies in our newest set of data because it has rapidly gentrified so much. So right now under the 2013, we have some opportunities to invest in certain areas, and I wouldn't want to foreclose on that. >> Kitchen: yeah. I don't want to do that but -- >> Casar: I'd like to know -- >> kitchen: I'd like to know the information. I'm wondering if there are new areas that wouldn't be reflected in this map that would become available. >> Casar: I think that's a great question. What I would do is move the resolution the way it is, and then for us to just ask staff to

[3:04:55 pm]

Give us that information between now and April. >> Kitchen: is that something you can do without a direction from us, or -- >> I think we can do that. Yeah. >> Kitchen: okay. All right. >> I mean, I think we would want to do that anyway, to finalize it. >> Renteria: so is there any other question? Were you wanting us to take action today on this? >> Casar: yeah. I'd like to send it on to the council. The council will not be designated hpds by passing this, they'll just be giving staff direction to bring this back to council with ordinances. So yeah, I move -- >> kitchen: so let me just ask you again. >> Casar: sure. >> Kitchen: I think it's just cleaner if we make the clarification that we would also like the information that is based on the latest. >> Casar: how about we just include it. We strike the word 2013 data and designate all new potential hpds. >> Kitchen: okay. That sounds good. >> Casar: so I'll move the resolution with one amendment, which is just striking the words based on 2013 data. So the city manager is just directed to draft ordinances to designate all new potential hpd's and bring that to the council. >> Kitchen: I second it. Are you looking for a second? >> Casar: thanks. >> Kitchen: I'm sorry. >> Renteria: motion has been made and second to approve this resolution to include these

multipreservation districts. >> Kitchen: with the one change. >> Renteria: with the one change, based on 2013, just leaving that out? >> Kitchen: right. Uh-huh. >> Renteria: a motion has been made and seconded. Any comments? >> Gallo: I'm just going to

[3:06:55 pm]

Continue to say this over and over again until we figure out a solution to the fact that we have so few affordable house units west of mopac, so I will support this, but I will continue -- I will continue that message until we build equity in the workforce and senior housing throughout our community. >> Casar: and I think one last comment is, I know that there had been some conversation when we passed the last set of these hpds about sort of a public input process. And I've thought about that a good bit. And in this resolution, I think the community development commission, working on that input, I think is helpful, not for the hpd designation because when I talk to the people on the street and tell them you're going to be part of a homestead preservation district, there's nothing that exciting about being in a district, but when we start talking to folks about the money available and whether that should go to senior -- rehabbing of senior housing or, you know, preservation of existing units or construction of new units, I think that's when the community starts getting pretty interested. So I think the community involvement process comes post district designation but prefunding allocation and starting to utilize the tools in the community. So I know that we had some questions about that last time, and I thought about it since then, and that's kind of where I've landed on it, just to let everybody know. >> Renteria: and I also see it, you know, that this gives us a tool to counter the gentrification that's going on in our community. And, you know, this will give us the resource, you know, that -- to build affordable housing so that our people don't have to move out, not be dislocated, so that -- and that's where all the pressure is presently. I would love -- you know. When we identify any kind of new resources, I'm going to try to convince my colleagues here that, you know, we should look

[3:08:56 pm]

Into these outside districts that don't have affordable housing and invest our money in that area, especially district 10. >> Gallo: well said. >> Renteria: any other comments before we take a vote? Okay. Motion has been made and seconded. All those in favor, raise their hand. Passes unanimously. Okay. Let me see where we're at here. Okay. Now we're going to have a briefing on item 4, on community investment collaboration work regarding public-private investment fund for strategic investment in housing and support facility. >> Hello, committee, chair, councilmembers. Thank you for having me. I'm medina dimayo, executive director. I'm here to provide an update and a briefing on Austin investment collaborative. I wanted to walk through pretty quickly some history just to give you all context of where we are, and just as a reminder, in summer of 2014, so it's been about 18 months now, housing works released a report, which I have copies of the executive summary I'll distribute to you all, called taking action, preservation of affordable housing in the city of Austin. And what that report focused on was creating a strategy for preserving market affordable care act. We separated out the subsidized housing which we know we have about 18,500 units and those units are growing, which is great, of affordable housing, and that's subsidized housing which councilmember Gallo referred to, a study of where subsidized housing is located. But we also know that we have an enormous stock of what we call market affordable housing. It's typically class b and c apartment complexes, and as we all know, because we see in the news and we see it in our

[3:10:57 pm]

Neighborhoods, we're rapidly losing that housing stock. A lot of it is to redevelopment and as a result of redevelopment, we're seeing displacement and relocation of low income folks and low income families. So I have the executive summary of that report. It's also -- the full report is on our website, but its good reading and what came out of that were some very specific recommendations, one of which was adopted by city council in October 2014. And that was to preserve 20,000 units of that market affordable housing. It's a very ambitious goal. And in order to do that, what we know is that our existing public resources are not sufficient. While we have done great things with federal and local dollars, general obligation bonds, it's really limited when we talk about the scope and how to scale up. So we contemplated in our preservation report creating a fund, what we called a strike fund. We're not the only ones to contemplate that. People across the country, it's kind of all the rage now and people across the country have done similar funds. So before we really delved into kind of what a fund would look like, how it would be, how it would be funded, where the funds would be invested, we, in partnership with the low income investment fund, which is a community development financial institution out of san Francisco, and the kriskey foundation, which is a national foundation, we had a one-day workshop, and it actually has a horrible name, it's called a capital absorption workshop. We rebranded it as creating healthy communities. It was an opportunity, we had more than 50 people from across both public-private, non-profit sectors, from health care, from transportation, a wide range of economic development, wide range of interests, come together to talk about creating an environment in which we can have shared priorities around affordability, and we can invest based on those shared priorities. It was a great workshop, really well received. What came out of that was that the relation that

[3:12:57 pm]

We needed more than just a one-day workshop. This was ongoing work, and so we created what we have branded the Austin community investment collaborative. That is a cross sector collaborative that includes private folks, public folks, and non-profits, and we have a steering committee of about 20 people who have been meeting regularly to discuss how to advance affordability in very strategic locations that improve housing, transit, jobs, and health care. Some very important interrelated items. We have three different committees on the Austin community investment collaborative. One is focused on policies around affordability, creating some shared -- shared policy priorities. Another around communications, and that's communicating about affordability, who it serves, why we need it, why it's important to the community. And the third, and that's kind of the subject of today, is our strategic investment committee. The strategic investment committee wanted to look at how we would actually structure, what would this fund look like, how big would it be, how would it be structured, what are the legal components of it, and in preparation for that, we held in collaboration with the urban land institute, uli-austin, we held a technical assistance panel. It was a two-day intensive workshop where we got folks, both local and across the country, with national -- nationally recognized expertise around real estate development, real estate finance, legal issues related to the creation of these so-called strike funds. We also worked closely with uli nationally and neighbor works, a national non-profit, on the creation of a publication, as I mentioned, strike funds and funds kind of have become really popular these days. So uli released a report in December of 2015 called preserving multifamily workforce and affordable housing. It's about an 80-page report. I'm going to forward to you all a link to it because it can be found online. What's interesting about it, and we've replicated a lot of this

[3:14:57 pm]

Work in our local technical assistance panel, was, it goes through funds, best practices across the country, divides them into three basic groups, grouped based on their structures. I don't want to get too

much into the weeds on this issue, but one is real estate investment trusts, which you probably have heard of, but these are specifically focused on affordable housing. The other is below market debt funds so these are loan pools, essentially, that would help subsidize affordable housing, and the third is an equity fund. We have examples, and I'm going to forward to you online, we developed from the uli report, we developed a much simpler example of both how these -- these three different types of funds are structured, and then we provide an example of how that would -- how a transaction would work. What would a reit transaction look like? We actually have an example locally, I think that's very helpful. We know the area, we can see, touch, and feel it. It's a property in excess of 600 units that was acquired in September of this year by Austin affordable Housing Corporation. I think it's a great example. So we have examples of reits, below market debt funds, an example out of Denver of a preservation deal, how that was structured, who the partners were. And then also an equity fund, and the example we use is a huge example out of New York City. So that will give you a better idea, and I apologize, I didn't have that in advance, but I will get that to you, also that you and your staff can look at and get an idea of the three different types and structures we're currently contemplating. Basically, what we have spent the last couple months doing intensively is studying these best practices from across the country. They all have advantages and disadvantages, and may not work in either our market or fit perfectly with our local issues. So we spent a lot of time studying both local demographics, but also market data where these class b and c properties are, what are the current rents that they're

[3:16:58 pm]

Charging, how many of them trade every year, you know, how could we make a meaningful impact in the market in terms of purchasing properties. And then what type of rents would be charged afterwards. Essentially, the goal, the model is to purchase properties and then bend the cost curve. What we see in the market is a private owner purchases a property, repaints it, raises the rent, raises the rent to the market rate, so we see increasing rents. How can we flatten the rents so they're more commensurate with our current income levels, which of course are fairly flat, as you all know? So we are working to what we call austinize the solution. We have now studied thoroughly all of the best practices. So I would anticipate -- again, I will get you information. I do have the information on our 2014 study but I'm going to get you the detailed information about the uli report, national study, and then our analysis, which includes some local examples, which I think will be helpful, and we hope to have some additional information in terms of our exact direction, our recommended direction for this fund by the next housing community development committee meeting. >> Renteria: I really want to thank you for that report. Members, I did ask for this briefing because we are going to be, later in the -- in the future, hopefully by this years, starting to address some of these bigger issues on affordable housing. And in the past, you probably have heard the mayor talking about, you know, his desire for a strike fund. And this is basically just the beginning of just look at all these different locations and different programs that, including Austin, has created, and I thought it would just be great if we could just start the conversation here. That way, we won't -- we'll be

[3:19:01 pm]

Ready when the final report or recommendations come down. We at least know what's going on. >> Kitchen: yeah. No, I really appreciate that because I think that -- I would like to understand the detail and I'd like it to come to us so that we can understand what's going on. I mean, I've been aware, we've all been aware that these -- that the work you all are doing is great, and that you all are proceeding with that, but I think keeping us up to date on what you're doing and the recommendations you're going to come out with would be really helpful. >> so I think what -- not I think, I know what I will be getting to

you is, again, summaries of these three different types of structures that all the funds across the country -- and I want to say there's probably nearly -- there's 50-plus funds across the country that are specifically focused on affordable housing. So -- and they can all fit into one of these three buckets. So summaries of those three types of funds, with a profile of how far how it would be structured, each of those three different types, and then a local case study, which personally I found helpful because I want to know kind of the mechanics of it, how it would actually play out. It's one thing to talk about it from intellectual level but how would it work, how would we use these funds to purchase an apartment complex and then preserve it for affordability. >> Kitchen: well, I think that level of detail is good for us to have presented to us also because, frankly -- frankly, you know, having it presented is a much better likelihood of us really absorbing it because we have the opportunity to ask you about it. If we're just going to take this information and read it separately, it doesn't have -- it's harder for us to do. >> okay. We can certainly do that at the next meeting. >> Kitchen: if that fits with the chair's ideas for the next meeting, that will be helpful to me. >> Renteria: and we'll get --

[3:21:02 pm]

This really just is at a draft stage right now, so we -- you know. They don't know exactly what is going to be presented. >> Gallo: and if I could also commit, we can have the chair of the strategic investment committee, Ms. Ferguson, she does a lot of this work nationally, but I think it would be great, if you want to dig down into details, to have her here as well. >> Renteria: that would be great. Just let me know when you would like to make that presentation and I'll schedule it into our agenda. >> Casar: one last question. I remember during our budget session that we allocated some one-time funding for help with this work. Do you know if the city has provided that level of help or if it's just still sitting? >> I do not believe any of those funds have been allocated. My understanding is, those funds were really for predevelopment. It was a fairly small -- not to minimize the significance, but I want to it was possibly -- it was probably \$100,000, for predevelopment legal work. Whatever we determine is going to require, while we may, in fact, have a significant amount of pro bono legal services, there are going to be some start-up costs around legal issues, actually structuring the fund. And that needs to happen before any investment dollars go into the fund, before it can be deployed. >> Casar: so it wasn't -- >> my understanding, it has not been -- >> Casar: the idea being that it may not be ripe yet for us to use those funds, so we may want to hold onto them for the next budget cycle and put them back in next year? >> My hope, and I hope I'm not too ambitious, is to utilize them this year. >> Casar: great. I hope you are too ambitious. [Laughter] >> Renteria: any other question? Thank you very much. Now we move on to item 5. It's going to be an update on resolution number 20151112-027

[3:23:04 pm]

Regarding the development of an ordinance to be considered by the city council regarding tenant relocation assistance. And I believe that they've had already three meetings with the stakeholders, so -- >> yes. Thank you. Good afternoon, councilmembers. My name is Lauren Avioli. I'm planner with neighborhood housing department. I'll be giving a brief background on the tenant relocation assistance policy development process we're currently undergoing. And chair Renteria is correct; we have had three stakeholder meetings to date, one of which was this morning. And I'll talk a bit about that, but first I'll go over tenant relocation assistance efforts in the city to date, then talk about this resolution that was passed in 2015, and where we are with that process, including stakeholder feedback. And finally do a review of some policy concepts that we're considering for inclusion in a draft ordinance at this time. So in 2012, Austin city council passed a resolution directing mistake of to work with the community development commission and other stakeholders to develop recommendations regarding tenant

relocation standards and ways to compliment these standards in zoning or demolition permit applications. So that process culminated in a memo delivered to council in May 2013 from neighborhood housing in conjunction with the law department that outlined some recommendations that incorporate stakeholder feedback and also some recommendations that the UT law school's community development clinic put forth in a policy report that they published in 2012. So in November of 2015, Austin city council passed a similar resolution that directed staff to initiate amendments to the land development code regarding tenant relocation assistance requirements in situations where demolition, redevelopment, or renovation of a multifamily

[3:25:06 pm]

Structure could result in tenant displacement. Other provisions in the resolution included directing staff to consider when relocation assistance might apply to temporary or emergency relocations. That could be caused by repairs or notices to vacate due to code violations. So as I said, we have begun the stakeholder input process on this initiative. We have had a few meetings, and the ultimate goal here is to mitigate the negative impacts of displacement on our city's most vulnerable residents. Thereof different policies and programs in specific city departments that speak to specific renter needs, but currently there's not a comprehensive, overarching formal policy approach to assisting displaced tenants. And the redevelopment of several multifamily properties over the last few years, including shoreline and lake view, has resulted in tenant displacement. And as the resolution states this displacement can have destabilizing effects on some of our most vulnerable residents, including elderly, low income, or disabled residents, or households with small children. So again, as the resolution stated, we've identified a need for relocation assistance requirements in certain cases for permanent, temporary, and/or emergency relocation. So some of the participants who have attended our stakeholder input sessions are lid on this slide. We've spoken with tenants who have experienced displacement from different apartment complexes in Austin and representatives from those organizations listed there -- the list isn't inclusive, but it is representative of various tenant advocates and representatives of the development community who have been in attendance at

[3:27:06 pm]

Our meetings. We've asked tenant stakeholders to share the challenges that they faced during their experiences with displacement and took that information to tenant advocates and representatives of the development community and discussed ways that the development process could be utilized to help address some of these challenges. So at our meeting on January 13th, which was a tenant stakeholder focused meeting, we had tenants who had experienced displacement from places like shoreline, lake view, fair way, and wood ridge apartments. We asked them what the biggest obstacle that they faced at the time was, and what was -- what would have been the most helpful to them, and summarized their responses in that conversation that we had with tenants and advocates into the following relocation challenges. So covering the cost of moving and relocation expenses was one of the most cited obstacles that we heard about, not just getting a truck rental or someone to move the furniture, but also application fees on new apartments. And then the higher cost of a new security deposit or rent at a new apartment, which often was higher than what the tenants had been paying at the apartments they were being displaced from. Tenants found it hard to find comparable housing that they could afford in the area that they had been living or within the city more generally, and other challenges included breaking up a student's school year by moving during the academic year, and having insufficient notice of the need to move, which exacerbates that search for an apartment. Tenants also talked about not getting

enough information, feeling like they didn't know how to navigate the process, and having sometimes antagonistic or ineffective

[3:29:08 pm]

Interactions with their property managers, repairs going undone or not understanding when they could get security deposits back. So as I said, we took this information and summarized it and brought it to the next meeting on the 21st of January, and we had the attendees there discuss how these challenges could be met. The group there talked about of having better information for tenants to speak to their concerns but also at the city level, because currently information on who is being displaced, from where, how many people, that's not currently collected in any of the permit applications. The group talked about where tenant relocation assistance requirements might be inserted into the permit process and the need for tenants to receive some type of financial assistance to help them cover the cost of relocation. Not just financial assistance, but also one-on-one help, finding new apartments, one-on-one relocation assistance. There was consensus among the group that this type of assistance would best be provided by a third-party organization, rather than the city or a property manager. And, finally, the group also agreed that whatever enforcement mechanisms are created, they should be designed such that tenants are not the ones who are responsible for alerting the city of violations of the requirements or failure to meet the requirements. So we took the information that we heard from stakeholders, as well as research and recommendations that we had generated during the 2012-2013 process and a review of ordinances on permanent, temporary, and emergency relocations that are in place in different cities in the U.S., looked at all of that information, and considered it when we developed the following policy concepts. They're all still very general. We're still working with different city departments,

[3:31:08 pm]

Including the law department, to refine them. We're still accepting input from stakeholders on them, and still need to determine details and general feasibility. But this is what we shared with tenants, tenant advocates, and representatives of the development community this morning. So that first bullet there discusses general applicability. The resolution does talk about displacement that occurs because of work being done on a multifamily structure, as appropriate to consider in the ordinance, but we are asking for input on whether there are other instances where displacement would occur that would also be -- it would also be beneficial to have assistance requirements. We've heard from several stakeholders about the need for assistance in multi -- I'm sorry -- in mobile home park displacements, and are open to discussing that or other situations. A tenant relocation plan could be prepared by the developer or appropriate owner and submitted to the city. The plan would set out the requirements and expectations that a developer or property owner would have to follow to -- to meet the assistance requirements. It could also include information on fees or relocation payments if we were to recommend that a developer or property owner should pay all or a portion of that. And then that document would become enforceable, and compliance could be monitored through periodic reports that the developer would submit to the city throughout the relocation process. We also identified a need to establish a formal method of notifying Austin Energy when displacements are occurring. Austin Energy's current policy is that people who are being displaced and are moving to a new apartment or home have their hookup or transfer fees waived but

[3:33:10 pm]

There's not really a codified method that Austin merge has to know if people are being displaced. It's really happening by word of mouth right now. Several ordinances that we looked at included a private right of action for tenants so they could bring suit when they felt that these requirements were being violated. And the resolution that we received in 2015 included consideration of a provision about a notice to vacate, suggesting six months or 180 days. A tenant information packet would speak to the need that tenants have voiced to get more, better information, all in one place. The packet could be distributed with the notice to vacate and could include information on the project, if it's demolition or redevelopment or repair, any timeline associated with that project, and a description of relocation assistance that could be available, who to contact, other programs that could help the tenants that are being displaced with other needs, information from aisd in how to remind from the remain in the same school. It's aisd's policy if a student moved in the academic year, he or she can attend the same school. So information on aisd's policy in that regard. And general information on tenant rights, including when to expect a security deposit back under state law and how to go about challenging that if they don't receive it in the time allotted. The forms to claim relocation assistance was a feature we saw in a lot of ordinances where a tenant would provide or verify that they were eligible for claims before receiving the payments, and that brings me to the also bullet on that slide, which is relocation and moving stipends to income-eligible tenants, which we're still determining what income-eligible would mean and are open to discussion

[3:35:12 pm]

On that. And as I mentioned earlier, there was discussion of a third-party organization providing one-on-one relocation assistance. Some cities that we looked at also had that organization do other tasks, like verify income eligibility and handle relocation and moving payments, in addition to the one-on-one relocation assistance. Flexible move-out dates for tenants was a recommendation from the 2013 memo from neighborhood housing to city council, and mandatory written notice to prospective tenants at the time that they apply for housing in an apartment complex that has already put out a notice to vacate is a feature of a lot of different ordinances that we looked at, so that prospective tenants would also be aware of the plans for the property. The last bullet on this slide speaks to a discussion that stakeholders had at our second stakeholder meeting regarding the potential consequences of instituting fees or payments that would be the responsibility, in whole or in part, of the developer or property owner paying, that would be contingent on numbers of eligible tenants that would be displaced. So a provision like this could close a loophole and a policy like that that otherwise might incentivize an applicant to reduce the number of tenants rising in a development in order to reduce the amount of assistance payments that they would be responsible for, and in at least one ordinance that we looked at, there was language dealing with prohibitions on intimidation or neglecting to repair units to speak to that. We have several meetings coming up, opportunities for stakeholder involvement, and review of our provisions by different commissions and committees. We hope to come back to this body at the April 13th

[3:37:14 pm]

Meeting with a presentation of a draft ordinance, and our ultimate goal is to come to the full city council with a draft ordinance on May 19th. >> Renteria: members, I know this is a briefing and I know we have some questions. We do have one speaker that would like to make comments. >> Kitchen: sure. >> Renteria: since this is not posted for speakers, I don't think that we're going to be able to allow you to speak. >> is it a briefing? It says an update. >> Renteria: it's just a briefing. Update, I'm sorry. >> okay. Go ahead. Any questions? >> Kitchen: I have a question. >> Renteria: okay. >> Kitchen: so can you tell me

again which commissions this is going in front of? It's the ones that are listed here? >> Yes. So it has been to the community development commission's housing committee. That was last night. They received a breaching very similar to this one, and we anticipate coming back to the full community development commission at their next meeting to ask them to take action on the recommendations. And then the codes and ordinances committee will review the draft ordinance. The codes and ordinances committee of the planning commission. We'll also be going to the planning commission with the draft ordinance, to this committee, planning and neighborhoods, and city council. >> Kitchen: okay. >> Casar: I have a question -- >> kitchen: I'm sorry, so the commissions are the planning commission and the

[3:39:14 pm]

Community development commission. >> Yes. >> Casar: I was going to say I might touch base with -- might touch base with the mayor pro tem because she's the only member of the planning and neighborhoods committee that isn't on this committee, to see if she just wants to attend this one, and then it doesn't have to go through two committees, if that's -- I imagine that we would -- you know, the alternative could be councilmember kitchen coming to planning and neighborhoods, but I think since it was initiated -- this whole thing was initiated by this committee, we might as well keep it here. So that way, we don't have to have the community duplicate and have -- come two different mights to just see one more of us. >> Kitchen: yeah. >> Casar: so anyways, I'll invite her, and for now if she confirms and that's okay with her, I think it might be easier for everybody to just be at this committee. >> Renteria: thank you. Councilmember Gallo. >> Gallo: I have lots of questions. Thank you for your presentation on this. So it's my understanding, and you gave a list of the stakeholder groups that have met, three meetings? Have you had three meetings at this point? >> Yes. Three. >> Gallo: so if you could provide us with the attendees at each of those meetings, the dates and meetings and the attendees, that would be helpful because I just want to see if everyone attended every meeting or if we've -- we have meetings that not the entire stakeholder group was there. And then do you take minutes or notes so that we could understand, so if we could be provided with that, too, I think that would be really helpful. Is it hell advised? Is it videoed? >> The meetings have not been recorded. To your first point, we have had repeat stakeholders at every meeting, and we've had some people only show up to one. >> Gallo: okay. >> But we can definitely provide information on who has been at each. We do have a website, which I will add to our subsequent presentations, but I can give you the url right now. >> Gallo: what is that? >> It's

[3:41:22 pm]

Austintexas.gov/page/tenant-reason-relocation-assistance. And on that web page, not only do we list all of our meetings, but realso have summary notes from each of them and handouts that we provided. >> Gallo: perfect. Super. So I'm trying to understand the scope of this and what we're trying to accomplish, so is this a mechanism for when you have a multihousing community that does not have leases with their tenants? Because I'm looking at a piece of this, you know, there's state statute that governs a lot of the things that are already addressed on this, like security deposits and the refund and deductions from security deposits, the notice to vacate, and so I see that there's places where you're talking about 180 days; well, if there's a current lease or if there's -- obviously, the tenant would be allowed to stay in the property until the end of the lease, by state statute. If there is a termination date of that lease that falls within that 180 days, then the lease would govern the owner's ability to give the tenant notice to vacate. If the tenant is on a month-to-month arrangement, then it would be 30 days. I'm really confused from the standpoint of what this is trying to establish and do within the realm of multifamily leasing and leases. >> Let me just speak to that for a minute, and then you can answer. I think, councilmember, this

is in response to a resolution that we passed, asking for recommendations, and I think -- you know, I think what I'm hearing is that the process has simply been a matter of identifying the problems that tenants experience, and then generating a range of solutions for those. I mean, those may not be solutions that we ultimately

[3:43:22 pm]

Go forward with, but I think that's what we're talking about here. Right? >> Yes. >> Kitchen: okay. >> so from how we understand it, the spirit of the resolution is to help address especially low-income tenants who are living in a lot of the older class c apartment buildings, who have to find a new place to live because of redevelopment of those properties. And although their leases might expire during that notice to vacate period, I think the way we were approaching it was, we might assume that they would want to renew -- renew that lease, and tented, whether at the end of the day, where they wanted to renew it or not, the result was that they were unable to live in a place that they had been unable to afford previously, so I guess the idea is to try to find ways to help the tenants that are having a hard time finding a new place to live, some type of assistance in their search. >> Gallo: and just to kind of continue my thought process with this, that I think we have -- we have state statutes that govern leases and landlord-tenant relationships, and I want to make sure that as we move through this process, it is the abuse of that and the violation of that that we're addressing, not to require landlords and communities that are abiding by law and the state statutes an additional layer of complication and expense. So I'm not getting that very clearly in the presentation, and I just -- and maybe you can speak to that because if

[3:45:24 pm]

You have a lease as tenant, you have protections under a lease. And if you have a lease, then the landlord should not be able to make you leave before your lease is over. But at the point in time that is determined your lease is over, then if the owner of the property chooses to not renew your lease, they have a legal ability to do that. And I just want to make sure through this whole process that we're not talking about something that's going to circumvent that, and that we still want those legal protections for both tenants and owners of properties to exist. >> kitchen: let me speak to that for just a minute and then answer the question, because I'm not sure -- and the only reason I'm doing this, councilmember Gallo, is because I may not agree. I mean, from my perspective, I would want to make sure, of course, that we're not contradicting state law, and so I would want to make sure that you all are considering state law and proceeding, but in certain circumstances, if the city might have the authority to put additional requirements in place, and I would like to hear all the proposed approaches, whether or not we decide to move forward with them or not. I wouldn't want to -- from my perspective, I don't want to tell the staff not to bring us forward a proposed approach that might address a need because that's a policy decision that we need to make as a council. So you may be -- you may just be asking questions to clarify, but I wanted to make sure that we're not giving the staff direction not to give us the range of potential, you know, solutions based on what they've seen elsewhere. And then as a group, as - - you know, as a council, we can make a decision on what's appropriate to go forward with and what's not. >> may I offer? I believe the original intent was not to circumvent the protections and relationship that is in a

[3:47:26 pm]

Lease that is overseen by state statute. I think the challenges and the reason why we were asked or given assignment was that there are some landlords -- I can't tell you how many -- that have violated the

terms of the lease, have purposefully not renewed an annual lease and have gone month to month so that they only have to give a 30-day notice, and/or just not renewed leases at all. There have been some cases where, again, landlords have not necessarily acted in good faith based on the relationship of the lyrics and that's why we've had problems where, on very short notice, families have been given notice because they -- because a landlord purposefully didn't renew a lease and then, therefore, a family does not -- doesn't have enough notice. So the reason for the public engagement was to actively hear from folks who are -- who are on a daily basis experiencing these hardships, and then what would be beneficial to them so that it's not the hardship. So the intent was not to violate anything in existing leases, but again, I believe that part of the problem is that landlords are acting in bad faith, as far as they're purposefully violating certain things and just circumventing the system, in order to be able to dislocate people quickly to their advantage. >> Casar: chair? >> Renteria: yes. >> Casar: and I express the same issue as councilmember kitchen. Of course, we can't pass anything that -- that would contradict what existing state law, I just think that oftentimes when folks are going to redevelop a property for a profit, that there are oftentimes costs certainly laid onto the public, where we, as the government and sort of the community, have to bear the burden of getting folks a

[3:49:26 pm]

Place to live or provide social services to get people places, so if we have the ability to make sure that the costs of development, especially if the folks that are going to be making that profit, are able to help through the process of getting those folks housing, that that, you know, is legitimate public purpose, and while there may be some inconvenience on the developer's side of doing that, the inconvenience that we've seen, inconvenience to tragedy that we've seen of tenants that have nowhere to go, is -- is very, very serious, and so if we can find the appropriate balance that helps those folks get a home and then allows -- you know, follows state law and allows people property at the same time, that's sort of my goal. >> Renteria: and having attended this morning's meeting and seeing the people that are participating, I did see people there from rica and the board of realtors, so I'm -- the ones that I've seen there, they pretty much are going to correct anybody else that -- you know, all about the state laws, and so I really feel good about how this process is going, you know, and the stakeholders that are turning -- showing up to these sessions. I think it's -- we've got some really good people there that, you know, are really fair and really -- really want to see a solution to this problem that we're facing. >> Gallo: and I would just mention, too, that we already found -- fund in our budget the Austin tenant's council and rio grande legal aid and we look to those organizations to do the outreach and participate in the protection of the part of our community that needs that assistance, so it's -- I do think we address a lot of those issues with the funding that we choose to do

[3:51:27 pm]

Through our budget, so ... >> Renteria: and my understanding is that the contract for this won't be signed until April. I believe that's -- somewhere April 1st or late march. I believe -- >> we don't have Texas Rio Grande contract, we have one with the Austin tenants council. That was on the health and human services. >> Renteria: yeah. I was contacting the headquarters because your headquarters -- contacting the health and human services because we're facing potential tenants dislocation and displacement, and I want to make sure that it's in effect by April so that we can assist these people that there's some rezoning of property there, especially in montopolis now that are going to be facing displacement. And so we need to figure out with a -- how we're going to be able to help them. So I'm going to try to see how I can do -- what we can do to work with that development so that we can get these people safely and, you know, find them housing so they won't be just kicked out into the street.

>> Gallo: may I ask a process question? I'm trying to understand the schedule. Thank you for putting that out in such detail. So I assume what we've been presented with is fairly similar to what's been presented to the stakeholder groups? Or is there a different version of this that they've been looking at and discussing? >> For -- specific to the schedule or the entire presentation? >> Gallo: well, it's talking about discussed draft provisions, so are draft provisions something different than what we've gotten in our handout for today? Is there a different document that's considered draft provisions? >> No. This presentation is pretty similar to what people heard this morning. The only thing that's different is the background piece. That was much shorter because a lot of the people there had already been to

[3:53:28 pm]

The previous stakeholder meetings. But the draft provisions are the policy concepts, and they're the same. >> Gallo: okay. So the policy concepts that are in here are the -- are what's considered the draft recommendations that are going to go through this whole process. >> I think that when we said draft recommendations, we really meant more of a draft ordinance. >> Gallo: okay. So that was my question, is when will that appear in this process? >> At the codes and ordinances committee on March 15th, is what we are looking at right now. So on the 16th of February at the codes and ordinances committee, it'll be a similar briefing. Similar to this. >> Gallo: the 15th. Okay. >> March 15th for the draft ordinance. >> Gallo: so will there be an opportunity -- I just want to make sure that we don't hear from the community that says that the stakeholder process wasn't complete. Will, before March 15th, there be an opportunity for the stakeholder group to actually see the draft ordinance and make comments on the draft ordinance? I'm just trying to figure out when we move from all of this to something that looks a little bit more like an ordinance, type the make sure that somewhere in that point of that transition, that the stakeholder groups have a chance to actually see that language and be able to respond on that language before it starts marching through the process on march 15th. >> Traditionally, the process has not included an opportunity for folks to look at the ordinance before it's presented at codes and ordinances. Am I saying that right? >> Erica, neighborhood housing. Put slightly differently, we work with law to ensure that any draft ordinances are legally defensible documents, and so when we

[3:55:29 pm]

Put together that draft, we want to make sure that it is that. We also want to make sure that, at the codes and ordinances committee, the public can weigh in, provide comments, which is why we're taking this to both the planning commission, codes and ordinances committee, the community development commission. There are opportunities for people to provide input along the way. But having -- having people sort of trying to write code may not always be the most effective process. >> Gallo: I'm not -- I guess my question is that you've had -- it sounds like a pretty well-rounded stakeholder process so far, and there's been this implication that this information is going to be converted into then a ordinance, that there may be some changes in interpretation of that when the ordinance -- I just think that you've done such a good job of bringing the stakeholders in, I would hate for us to not give a little bit of time for that same stakeholder group to actually look at the ordinance that's being moved forward to the different boards and commissioners -- commissions and city council. I know maybe that's not been the process in the past, but I think that we all talk about community engagement and people being involved in the process, which I think you've done a good job, but then I think we move from this document to something that's more structured as a draft ordinance. I'm just wondering if that's been part of the process, and if not, then how much prior to the march 5th codes and ordinances committee meeting of the planning commission will the draft ordinance be available to those stakeholders? >> And correct me if I'm wrong, but I believe going to codes and ordinances is the kickoff, traditionally,

[3:57:31 pm]

Of introducing that ordinance to the public. So am I right? >> Traditionally. >> Traditionally. So I guess I'm not sure who to ask, if we would be able to provide a draft ordinance out to the general public. >> It would be posted as backup for the meeting, which would be the Friday, three days before, so the 8th, I believe. >> Casar: is it possible to get the backup in there just a couple of days earlier than that so people coming to codes and ordinances that want to speak could have a little bit more time -- >> Gallo: I think so. Thank you for mentioning, I think that's the part that's really important to give people opportunity, if it goes out on Friday and somebody is gone for the weekend -- this is the part of our population that doesn't get paid for their time to participate. >> We would have to rely on law to see if we could actually get it several days prior to when we would post. I cannot speak for law. We can certainly ask. I greatly appreciate your desire to have -- people have been so involved up to this point, to see what actually is being presented. I appreciate that entirely. I'm just trying to figure out mechanically how we do that ahead of the codes and ordinances meeting. So we will -- it's going to take four of us to do this. [Laughter] >> >> assistant director. One of the things that we have done, I'm sure in this process is kept contact information. Y'all requested it, actually. We can send a link of the backup to all of the individuals who have been attending and post it on the website, likely, if people are checking on that website. So if people have been actively engaged and given us their email, we can move the link for the backup out. So folks would have at least the three days to take a look at it. >> Gallo: okay. Okay, thank you.

[3:59:32 pm]

>> Thank you. >> Renteria: any other questions? Seeing none, the next item we're moving on to is item 7, I believe. The final item on the agenda, discuss our future agenda items. Our next meeting will be held April 13. Does anyone have any suggestions, issues? To include in our next agenda? >> Kitchen: just a question, and I should know the answer to this, but I don't remember. So I know that staff is continuing to work on the strategic housing plan. So when is that going to come back to us? >> Renteria: let's get staff to let us know. >> We can certainly provide an update on the strategic housing plan at the next committee meeting. We actually may be proposing a special called meeting in May in case 'El would like to -- I don't think we'll have a draft that's ready until May. >> Kitchen: oh, okay. >> so if you want us to come back to this committee before you get too deep into budget season, we may want to consider a special called meeting in May to present that draft. >> Kitchen: special called meeting of this committee, you mean? >> correct, yes. >> Kitchen: okay. It's up to the chair on that. >> Renteria: if you do have a -- problems that you need an extra month, just let me know and I will call a special called meeting in May. >> okay. We'll certainly give that update in April, and you can decide at that point. >> Kitchen: okay. >> If you want to call a special called meeting. >> Kitchen: okay. >> Renteria: if we can just kind of agree that that's

[4:01:32 pm]

Going to be a tentative date in May, I'll -- I guess I'll look into my schedule and make -- and we'll -- >> kitchen: so you're thinking you can present something in April, you just don't know how far along it will be that it? >> Absolutely. So we'll definitely have an update at that point. I just don't think we'll have a draft that -- that 'El would -- that it will be ready for 'El to move forward to the full council or take action on. >> Kitchen: do we have a June meeting? >> Rebecca glow again, in looking at our strategy and all the different components of the plan, I can say confidently we will only be at update mode in April so we

would and, councilmember kitchen, you were very clear that you would like to see a draft prior to the budget. >> Kitchen: yes. >> we would request that we have a May special called meeting to be sure that the final draft was able to be presented. Because April would definitely just be an update. >> Renteria: what I would request, I have no problem calling a May meeting, but I would like to work it around your schedule and the members' schedule to make sure if I call a meeting there's not going to be a conflict because I don't think we have a meeting exiled for May. >> Kitchen: do we have one scheduled for June? I mean, June is still before the budget. That would be okay with me. >> Renteria: sure. >> We have a meeting in June. >> Kitchen: I mean, that's still time -- is that still timely for us to give you feedback before the budget? I would think so. >> Yes. Yes. Absolutely. I'm looking at 'El trying to think when the whole budget process and the concept menu and all of that stuff moves forward, but, no, we are absolutely amenable to a June presentation. >> Renteria: that's great, then. >> Kitchen: yeah we can do June. That's okay. >> Very good. >> Renteria: June. >> That's fine, great. >> Renteria: thank you.

[4:03:34 pm]

Any other comment? Issues? Then do I have -- hear a motion for adjournment? It's been moved. Seconded? We're adjourned. [Adjourned]