

Planning and Neighborhoods Committee Meeting Transcript – 05/24/2016

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[10:09:00 AM]

>> Casar: Good morning. Since we have a quorum here I'll call this meeting to order. I'm Greg Casar and I'm joined by mayor pro tem Kathie Tovo and councilmember and vice-chair Renteria. It's 10:09 A.M. And this is the planning and neighborhoods committee on May 24th in city council chambers. We'll start by approving the minutes from our last meeting. Is there a motion to approve those minutes? Moved by the mayor pro tem, seconded by councilmember Renteria. All those in favor say aye? That passes unanimously. And we will move on to citizen communication. And first up is -- first up is Frank Herron. >> Good morning, councilmembers. I'm having distributed to you another proposed council resolution that incorporates in less detailed terms some of what is going to be discussed later in the morning. And Mr. Casar and Mr. Renteria -- in Mr. Scar's and Mr. Renteria's proposal. It adds to the fact that we have to also solve when we do any kind of subsidized housing program we have to solve the underlying market and market affordability. There are only three elements of cost in building any property and those are land, hard costs and development costs. You the hard costs are not going to vary between affordable subsidized units and other units. The development costs will not vary in any significant way. They're typically submitted as one project in a combined form.

[10:11:01 AM]

Its only thing that we can control in the entire cost of building any unit is the land cost. In Austin the typical land cost on a new apartment project is about 25 to \$50,000 per home. You compare that with what is now the median single-family lot cost with no structure that is citywide now \$240,000. In other words, it costs about an extra \$200,000 per home for single-family versus apartments. So I would ask you to look at my proposed resolution, think about it and consider voting for it or explaining why you would not vote for it, but I think it's the culmination of some thoughtful work on your part regarding subsidized housing and also the dike that underlies the cost of -- the dynamic that underlies the cost of that housing. In the market that it is the less subsidized housing that you will be able to provide. Density matters T matters to both subsidized and non-subsidized. I think we have to make peace with the fact that our neighborhoods are going to have to change. The city of Seattle just did that recently. I think it was late 2015 and it says in its report from affordability task force after talking about the two-thirds of Seattle that's still single-family and how that has to change. In short this means that our city will not look like what we're used to. Our city's physical form will change so the characters and values can stay the same. We can only hold on to our commitment to inclusion -- I'm sorry, opportunity for all, and affordability if we let our city fill in with more housing. Thank you.

[10:13:02 AM]

>> Casar: Thank you. Michael Casias is here next on -- >> Can I wait until item 4? >> Casar: My staff told me you would have to be leaving early. If you would like to speak on this one, without objection we can pull up item 4 briefly if you want to speak quickly to it. I'll pull up item number 4 so Mr. Casias can speak since you have to run. >> Thank you, councilmembers. My name is Michael Casias. I'm a real estate developer, but I've developed over 800 units of affordable housing and that's 60% mfi and below deep targeting housing throughout Texas plus an additional 300 units in east Austin and Georgetown. So I have read the Austin's fair housing initiative proposed by the councilmembers and I support it and whole hearted support any efforts by our leaders to push and make affordable housing happen in any way possible. I do have on just a couple of -- one single point for each of these major categories that I just want to stress to take up as little time as possible. I support more mixed income developments. I wholeheartedly agree that we should be revamping the housing. There has been a lot of input to community housing and neighborhood development to rewrite that code, but basically it is feasible to rewrite the fair housing policy to make it attractive to every market rate developer so that they will choose smart housing in every case, it just costs money and there's a metrically way to -- mathematically way to get there. So revamping housing policy is a great idea and I support that along with the other recommendations. On smaller housing and high opportunity areas, my only comment there is trending high opportunity areas, high opportunity areas are probably the most expensive

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real estate in Austin, but those areas that we absolutely know will become high opportunity areas in the next five to 10 years we know where they are, we know where the statistics are. East Austin, which is not considered -- many areas of east Austin are not considered high opportunity areas, but they're within two miles of downtown. I can tell you about two amazing schools that are about to open in east Austin, multiple employers, multiple jobs are being created. East Austin will be a high opportunity area in the future and we'll regret and lament why we didn't do as much as we could to increase affordable housing in east Austin as well. Larger public investment, this is my key item. I totally agree that we should be looking at our surplus, not just our surplus public properties, but the underutilized public properties. When we have ability to put units and still address the public use on a piece of property that has 15 cars on it on three acres, we are -- we do not have an effective policy to build housing in place. If you look at -- I support using revenues from sales of city-owned properties, but if you look at our history of sales of city-owned and public properties, that money gets diluted either in the general fund. I know you have a recommendation to keep it toward affordable housing, but that affordable housing has to go get built somewhere else and typically it's further and further out from the city center. [Buzzer sounds] We could be building on our vacant and surplus property. We need a more effective policy than the ones that are in place. And then finally, stay in place. I've been working with neighbors to make that happen. My only point was -- I don't remember. But mostly we can -- we can be building 5400 units. We've identified 100 acres just in district 3 that are under -- that are surplus, vacant or underutilized. We could build 5400 units even at 36 units per acre

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right there and deliver a major impact of affordability in east Austin before it's too late. Thank you very much. >> Casar: Next I'd like to call up item number 7 very briefly because I hear it will be quick and I think it will be informative to our later discussions. It's been long-awaited and sponsored by the mayor pro tem. Back in August. So it is a staff briefing regarding fee-in-lieu and on-site affordable unit

requirements in the density bonus programs. >> Good morning, Jesse Cochrum with newhousing. I'm going -- with neighborhood housing. I'm going to provide a brief presentation that will give a status update in why we are in responding to the resolution. So the resolution passed in October of this past year directed the city manager to look at the city's density bonus programs. Specifically the fee-in-lieu policy. And additionally to look at cost of development of housing in the city of Austin and policies that other cities have related to density bounce bonuses and fee-in-lieu. The resolution further directed staff to bring forward recommendations that may be considered for potential code amendments. This is a little hard to read on the slide, but I want to provide an outline

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of the report that we will be bringing forward to mayor and council. We're still waiting on just the final pieces of data to be plugged in and then it will be sent out for internal review and then to the mayor and council. Report follows a direction of the resolution. We believe it touches on all the components that the council hopes to review to help inform further policy. As a summary of the findings, just varied overview, we found that our density bonus programs vary greatly from policy to policy. They were created relatively in vacuums and they lack [indiscernible] Overall. Out of the 10 policies we have six include a partial or full fee-in-lieu option, and those fee-in-lieu policies also vary from density bonus to density bonus. Another thing that we found is that the community benefit calculations were not informed by comprehensive economic analysis at the onset. Other than in the case of the downtown density bonus. And you'll see in our recommendations that we see there could be benefit in looking towards an economic analysis. In regards to findings from other cities, we looked at he seven minutes. Actually 10 cities altogether, but three of them were co-locate and have similar policies. And what we found there is policies also vary from community to community and we were unable to identify a best practice. We'll bring forward examples of various practices and we

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will make recommendations on strategies that the city may want to consider, but it was very difficult to find clear information on the cities' policies, how they were developed, how they're implemented, and most importantly the production of units that they've created. As I think most of you know, Texas and Oregon are the only two states that prohibit mandatory inclusionary zoning and we did look at cities in both of those states as part of our survey. And then also that even in the communities that do allow for mandatory inclusionary zoning their density bonus -- their inclusionary zoning policies are set up similarly to a developer incentive. So they are providing an incentive still to help support developerrers' abilities to provide the long-term affordable housing. So our most urgent recommendation is that the city consider counting with a consultant to provide a comprehensive economic analysis that would look at the fee-in-lieu and on-site affordability requirements. And additionally that this analysis would help to inform the work that codenext is doing related to expanding density bonuses or potentially expanding density bonuses. And we would encourage that the experts include it in housing policy. So we're looking at both the economics and how we can create policies that help us reach our citywide goals related to affordable housing. More low hanging fruit that we might want to consider are standardization of the affordable housing formula. That we explore the possibility of extending affordability periods. Add language that ensures that housing choice vouchers

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are accepted by developments that participate in the density bonus program. And then there are some -

- quite a few cases we've seen come through that are transit oriented districts that are requesting either a partial or full fee-in-lieu and I think it would be beneficial to look at short-term interventions to minimize the number of developments that are making that request. Additionally we look at recommendations that have come forward through the fair housing action plan which is created in response to the analysis of impediments to fair housing choice. The codenext affordability prescription paper and the housing transit jobs team recommendations. So as I mentioned earlier, the next step is to have the draft report reviewed internally and then we will issue that draft to mayor and council. We'll come back to this committee in June and after the discussion takes place here I'll incorporate some of the discussion into the final report and that will go back out to mayor and council again. And that's all I have today. >> Casar: Thank you. Any questions? Councilmember Gallo? >> Gallo: Thank you. Thank you for the report. I appreciate that and I know that as you said, it's difficult because there's so many pieces that match and don't match that you're pulling from all of the different areas that we used to address this. As part of the draft recommendations, as we talk about affordability, as we use the term affordability, affordability is two things. One is how do we maintain an affordability in market rents and sale prices and also how do we buy-down

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affordability for below market opportunities? And so in part of the draft recommendations if the recommendation is to hire a consultant, I think it would be important to add that, that in looking at this program I think we also need to address how that impacts the affordability of market rents because as we fund the buy-down affordability programs in various ways sometimes if that is adding additional costs and fees into the production of market units, then it does address that. So I would hope that in that list of things if we go the consultant route, that that is addressed also, that that is one of the items that would be addressed too. >> Tovo: I wanted to say thank you. I appreciated the update and I'm looking forward to getting the report. I think it will provide us with some very good information and I think it will -- this is probably something I'm going to say again in a bit, but as I've indicated a couple of times I'm very interested in converting some of our density bonus programs that current currently allow for fee-in-lieus. As you've mentioned we've had several transit oriented requests for waivers, but some other opportunities that we've lost for not having a requirement to have on-site. So I appreciate that there will be a recommendation for a financial analysis, but I will be asking council to consider some more immediate changes so that we're not here a couple of years from now still talking about it. But anyway, thank you very much. I really look forward to the information. >> Casar: I think that one of the challenges that I've faced and I think lots of our colleagues have faced in trying to figure out whether the fee-in-lieu needs to go away or increase or if the inclusionary requirement in our density bonus programs needs to go in order to maximize the number of units, I think it's

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difficult without a market analysis to know where it should go. I see that our codenext staff is here and so I just want to ask a couple of questions around the density bonus programs and if and how they're being restructured as part of the codenext process because I think as the council talked about last week while I was gone, there should be some question now as to what it was later. Could you clear it up for us so what it is that codenext is doing for density bonus programs? >> At a minimum I think what you can anticipate out of codenext is that we would attempt to bring as much possible standardization of the programs to you as a recommendation. And when I say standardization I'm talking about -- I'm Jim Robertson, planning, development and review, project manager for codenext. When I'm talking about standardization, at a minimum I'm talking about the way they work, the structure. In other words, to set

up a program where somebody who wants to participate doesn't have to say I'm doing it in location a, therefore I have this whole set of rules, but if I go down the street or across the river in this neighborhood there's a whole new set of rules. I think at a minimum codenext should be able to bring to you a common structure to all the programs. Now having said that I think you'll get into some policy questions which ultimately probably ought to be decided by council. The objectives of what you might want to achieve in terms of the community benefits that the program provide, whether that's different levels of affordability in different parts of town or perhaps whether other community benefits ought to be included as options for additional density in the program, that would be a decision that ultimately you would make. For example, in the downtown density bonus program there's a whole array of options that are -- that are

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available as a means to get additional density. For example, you have to get gift% of your bonus area -- 50% of your bonus area is what we call it, through affordable housing benefits, but you are allowed to achieve as much as 50% of your bonus area through the provision of other community benefits, enhanced green building, parks and open space, and so forth. So I think that's a policy and I would think looking at what I understand around the city, some cities do offer multiple options. And so that's a policy question, do you want to focus your community benefits on affordable housing or do you want to put some other options on the table? Having said that, though, I think the basic structure ought to be the same throughout all of them. In other words, they work the same, they look the same, the application process is largely the same and so forth. >> Casar: So I think clearly the driving force behind most of the council and density bonus has been looking at the affordable housing component and I think that we sort of have the shared goal that we want to get as many affordable units included in projects or nearby projects as possible and a MIX of incomes and a MIX of sizes. In your sort of review with the staff of the density bonus programs, are we missing opportunities in these different density bonus programs? >> I think we potentially are. A couple of things that actually -- that Jesse pointed out in hers. First of all the lack of consistency I think may be an inhibiting factor right there in terms of the programs optimizing their outcomes. And as councilmember tovo and mayor pro tem just mentioned, some of the programs require the provision of on-site units. Some give the option of on-site or paying a fee-in-lieu. So if the objective were to maximize the creation of units at the location of the

[10:31:08 AM]

site, then you would want to focus the community benefits on-site as opposed to the ability to pay fee-in-lieu. Once again that's kind of a policy decision. I know on the downtown density bonus program it was kind of a policy decision there that because a unit downtown in a hi-rise type environment is so expensive to create, maybe we'd be better off generating some money that could build more units elsewhere. Not all of the programs have undergone the strict economical abrasion that went into the downtown program so it is possible that some of the programs, for lack of a better word, are leaving money on the table. In other words, maybe -- to put it sort of colloquially, mean we the city could make a better deal to get more units if we really looked at the economics and made sure that the program is structured around a sound set of economics. One other factor in terms of if you wanted to determine an array of sizes. Not all of the current programs are set up to produce that result. Sometimes they're just like 10% of the units, maybe need to be affordable without specifying that they need to reflect a spectrum of unit sizes, so that would be another adjustment that you could make to meet the objective that -- sort of that you offered up. So I think there are a number of tweaks that we can make to get closer to that policy goal. For us to get to the MIX of sizes that we ask for or to know whether we are

leaving money on the table or asking for such a rigorous program that we're missing out on participants, for us to make that call do we have the --

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Ms. Cook recommended that we do the market analysis. Without the analysis do we have the tools available to make those decisions? >> Not really. I would wholeheartedly say yes, we do need to analysis to make those determinations, to ensure that we are maximizing our production. >> Casar: So with what's going on in codenext right now is isn't in the plan to do -- >> Codenext with the current scope and budget does not include doing the rigorous economic analysis. That would be a separate endeavor. >> Casar: Thank you. Mayor pro tem? >> Tovo: I wanted to say that this has been an ongoing conversation for maybe a decade and I just think at the end of the day it is a policy call whether we want to have those units on site, as you said, Mr. Robertson. If our goal is to maximize units the construction of units, I think that needs to be our policy. We had a case recently where in U.N.O. Where we might have been able to have those units constructed on-site, but for the provision in our code that allowed them to have an option. So I think if we set the expectation that those units will be on site we can always have a waiver for those unusual situations where it makes better sense to take the fee-in-lieu and provide it elsewhere. But having listened to a community -- having listened to concerns about economic analysis now for, as I said, maybe a decade, that if we don't have the economic analysis we can't shift that policy. I just am eager to -- I'm eager to move ahead on setting the expectations a little higher. With the knowledge that it's iterative. I mean, we can conduct an economic analysis and then adjust as we need to, but I think it is -- as I've indicated multiple times this past year I think it is necessary to set that expectation where we have the ability to do so having those units on-site and I have awaited this report to

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we can move forward, but I wouldn't want to move it for another economic analysis and further studies, though I would be happy to adjust as necessary if we were to initiate those, I'd be happy to adjust as necessary, but I think we know when developers pass over the on-site option and go to the fee-in-lieu that those are not calibrated properly when they do it 100% of the time as they do in some of our programs. I think we'll see that in the data. >> Casar: I understand that it is a policy choice in our part and we want to trend in getting the units on site. I want to make as informed a policy choice as possible. And if there are some good guesses we can make then interrupt good guesses -- interim good guesses is all right, but if we can really do the economic analysis and really do it, we can make the most informed decisions possible. And actually in anticipation of today I wanted to print out for the dais Seattle's recent housing incentive program, economic analysis. It's -- for those of you out there, it's this thick. And in flipping through it, I think that their council clearly had enough information to be able to make sure that we are actually getting the maximum number of units because I think it's clear with an incentive program because if we're asking for too little we're leaving money on the table. If we're asking for too much it's a lose-lose as councilmember Gallo pointed out because we lose out on getting the market rate units, which help satisfy demand. We lose out on a building not participating in the program and so we lose that piece of property being ever able to go into the density bonus program until it's aged out. And we lose the affordable units on top. So I want to make sure that we are shooting right. And I would rather, frankly, be slightly too generous and have lots of participation than slightly too restrictive and lose out on lots of participation. And I don't know what those

[10:37:14 AM]

points are without having Numbers in front of me, but if there are some cases where it's just so egregious that a good guess is a good interim step then I would be interested in open to considering that. Councilmember Gallo? >> Gallo: I think the discussion of units on site versus fee-in-lieu, particularly in the areas that it is expensive to address and produce those units on site is also the discussion, the parallel discussion that we're having in the geographic disbursement of our affordable units because part of that discussion is as you move to areas of our city that are more expensive to build in from a development cost, if you are -- if you are providing affordable housing units there, there is more of a difference between the affordable rates and the market rates from the standpoint of being able to buy that down. So when we have the discussion if you have X number of dollars you can build 50% more units, if you build them in one part of town than you can in the other. But as I've said over and over on the dais I'm a proponent of geographic disbursement, so I think this discussion also falls into that area too because we need to provide affordable housing units throughout the city in an equitable way, even if it costs more to provide those units in certain parts of the city. >> Councilmember? >> Renteria: Another item that I would like to see is the fee-in-lieu was office buildings that are being built in the tod districts. You know, we just had one where we took the fee-in-lieu instead of requiring them to build the three units that was going to be required on this office building because it

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wouldn't fit into his plan. So I would like to know if we're actually getting our plan for the affordable housing, I don't know how we set the fee on office buildings where instead of being residential. And I was seeing if we're -- if those fee-in-lieu are really fair and that the value that we're really getting out of it. So I would like to see that also in the study. >> Casar: Great, thank you. Is that all for this item? Okay. Then we'll move on to item number 3. 3 which is discussion and possible action regarding designation of new homestead preservation districts. I think you're back up. >> So last month we brought forward to the housing and community development committee of the city council presentation, responding to council's direction to identify new areas that would be eligible as homestead preservation districts. The agenda item called for a briefing. The resolution was not specific that staff was meant to bring the item to any committee for direction, however, in our analysis of the eligible districts we identified three areas that staff could really use some direction from council on.

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From council committee. So I'm just going to pull up those three items for >>> >> So I'll take us a step back first because -- because as a refresher for what we looked at, at council at the housing and community development committee, the resolution called for staff to identify new eligible districts using 2013 or the most recent census data. At the -- by the time the resolution was passed, there was 2014 census data available, so we ran the analysis using both datasets. What we discovered is that with the 2013 data, there were more census tracts that were eligible to be included in HPDs than in the 2014 data analysis. And we conferred with Ryan Robinson, the city's demographer, he felt the opinion that the margin of error is such that neither of the 2013 or the 2014 is -- is more desirable, more accurate data. However, there is a significant difference in the eligible census tracts. So we put forward that it would be helpful to have council direction as to which of the datasets staff should utilize when

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preparing the eligible districts ordinances to bring forward to the full council. If we should look at the

additional eligibility criteria that was recommended in 2014 analysis, which specifically made a recommendation that areas that are 50% or more student residents should not be considered and if the council would like us to move forward, all eligible homestead preservation district areas or if there were only specific areas that should be moved forward by ordinance. So our hope would stay that the committee would have some discussion as to policy decisions around which of the two datasets that should be considered and also whether or not to consider the additional recommendation that -- that areas with 50% or more of students are considered ineligible as HPDs. We are posted for potential action on this, is there any direction or motion giving direction to staff on any of the three things up here on the screen? We have a question from councilmember Gallo. >> We have 13 and 14, at what point do we have 15? >> I believe we have 15 next December, next fall. They are two year sets. Two years after -- >> Gallo: Thank you. >> Casar: I would just state that my preference at this point would be for staff to move forward with bringing forward the most HPDs as possible and to

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sort of attach their recommendations and thoughts on each of them with the most sense -- each of them with the most census tracts as possible so we have all of the options before us to leave that up to council in the end, but with staff comments attached so we can make an informed decision. But I would like to hear from the rest of the panel. Mayor pro tem tovo had her hand up. >> Tovo: I would agree with that. That speaks to using the 2013 data, I believe. And I don't support adding that additional criterion. I believe that we should have a fuller conversation about that. It seems to me this is a tool that is useful in all areas, including an area that has 50% or more students because it is -- it is a tool we can use to -- to improve affordability within an area and to help funnel some of that increase in development, the revenue from the increase in development right into affordability efforts within that area and I believe that's as necessary within the central part of -- within, you know, within the area identified. In the blue. As it is in -- in maybe not -- well, it is a necessary component throughout our city, including in that area, I will say that. Again, it's a tool. It's one of the few tools that we have available to us, I would like to see us avail ourselves of it as well in that area. >> Casar: And I think that given that suggestion, the staff could as they develop all of the potential hpdss in the data, we should tell us why that is in that report and we could actually have that discussion as a council. I tend to agree with you, largely because I don't particularly remember why it was excluded very well. >> I actually wonder -- >> So the reason that criteria is put forward was mainly concerns around the way the student population may skew the poverty rate in the area and whether or not

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that area meets the intent of the criteria set by the homestead preservation district legislation. >> Casar: So potentially, if it would potentially have issues with the intent of the legislation, which may have legal issues, which I guess city legal may have issues about or [indiscernible] Could talk to us about if there's issues or not. >> We can follow up with legal and make sure that they're prepared to speak to that. >> Casar: Great, okay. >> So I have another question. When we -- I appreciate that information and I do support the students being pulled out of that. I think that's appropriate as we see students who are supported by parents and have no income themselves and are living in market rate can afford to live in market rate units in those areas, I think we have to be very careful about subjecting ourselves to skewing those Numbers for those particular districts. When we are looking at both 2014 and 2013 and the 2013 shows that there has been a change and -- in what would qualify, do we subject ourselves to any issues when we purposely choose the 2013 when we have the 2014 data that shows that that particular census tract would not be included anymore? >> Ryan Robinson, city demographer, gave his opinion

that neither dataset was superior. But I have not conferred with the law department. >> Gallo: I think that would be a good question for legal, also, if we could incorporate them into that discussion, too, please. >> Casar: That would be my reasoning for suggesting that we have a motion to ask the staff to provide all of the census tracts that are eligible. And then for the staff both at and and legal to provide

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their thoughts and guidance. That way we leave all of the options open to council to make the final decision without us precluding some of those options from the larger panel, if that's a motion that somebody would be willing to make, I think, we could get some consensus on that, made by councilmember Gallo. Is there a second? I forget if I'm allowed to second things. Mayor pro tem seconds it. So to clarify, that motion, councilmember Gallo, would just be giving the suggestion to staff that all of the HPD census tracts be brought forward to the council that are eligible under the 2013 census data and -- >> 2014. >> Casar: 2013 and 2014 and include -- include the west campus census tracts, but with your comments as well for keep of them so we can make a decision as a whole instead of trying to make a decision here at committee. >> Gallo: And not to make the motion any longer, but with clear direction that we want the analysis of those two issues, the students -- student issue and, also, the difference between the fact that some of the 2013s have dropped off the 2014 and we want the interpreters from legal on both of those two issues. >> Casar: Make sense? >> Yeah. >> Casar: Great. All in father say aye? That passes unanimously as well. Thank you. >> Thank you. >> Casar: So colleagues I will now move us on to item no. 4. If you'll give me one second to arrange my papers, I would appreciate that. Oh, we had speakers on three, I'm so sorry. We might change our minds.

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Signal or add to the motion. First we have David king and then Sam easterly, I really apologize. For some reason I was still in staff briefing mode. I apologize. >> No worries, thank you very much. I appreciate it. So I'm very supportive of this. I just worry that I read in the paper this morning that a recent study by UT, university of Texas, found that 50% of African-American homeowners who left Austin for the suburbs said that the soaring housing cost had forced them to leave. And so that's happening right now. And so I think we need to get through this process as expeditiously as possible because these census tracts are losing low income families that otherwise that census tract might otherwise qualify to this program. We need to move with all due haste before we push awful of our low income families out of this city. I applaud your work and hope that you move this forward as quickly as possible and look at every census tract throughout the city and make sure that it qualifies and gets made part of this program. Thank you very much. >> Casar: Thank you, Ms. Easterday. Not speaking. Okay. Now, I'll move us over to -- to item no. 4. Sort of as an introduction to this item, we'll be -- we are posted to hear this at this committee meeting as well as June's housing meeting, hosted by chair Renteria. I know for folks in this building, it's difficult to count the number of times that we've heard community members and policy makers cite the martin prosperity institute's study about the Austin metro regions severe economic segregation. And what I would like to do is make it very focal to count the number of times that we are doing something to work on it. And so I know that this

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council and this community is doing a lot, but that we can do quite a bit more and we have to do much more. We had a -- an omnibus resolution on helping with our live music scene in Austin, I was very supportive of that. If we're going to be doing omnibus resolution around music, then we certainly should

throw everything on the table that we can around housing, anti-displacement and economic integration in this community. I myself have very, very distinct memory of a few times within the first few months of my first term that I was on the phone with -- with my constituents that were being displaced by rising rents and new coats of paint on their apartment complexes, and it just continued to show to me that the status quo was unacceptable, but we have a great opportunity here on the city council to do something about it. So I applaud the work that this committee and the council has done in the last year and a half, but I just wanted to put this on the table for this committee and at the housing committee for us to put together all of the proactive solution oriented ideas that we can, so I have posted up for today in backup nine directives to the city manager that have largely been sourced from our study of impediments to fair housing and then, also, from community members, many of whom are here. This is a starting point, so I would be very happy to -- to have additions at this committee meeting, at -- at chair Renteria's housing committee meeting and beyond, but I think putting forth a slew of ideas, comprehensively sort of shows our commitment to an all of the above approach. I think that what we have put forward in backup acknowledges the need for additional housing supply in order to relieve pressure on some of those lowest income tenants who are facing displacement because there aren't enough units in the city to keep them here. But also acknowledges the

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fact that new market rate supply superintendent going to solve lots of issues. It's not going to solve economic integration on its own and it's not going to make sure that we have new great housing units for low income tenants because we have a lot of -- of demand from higher income folks that are going to get those units first. So I think they acknowledge some of the ideas laid out here acknowledges cases of discrimination in ways that we can address that as well. So it tries to bring in all of the above approach, but I know these nine things aren't quite enough. Hopefully they're a big start. So I'm happy to walk y'all through sort of what it is that we have on the table right now. One is -- and if you don't have it in backup, I think that I actually have some printed out copies here or it should be in your stack of materials. First is on mixed income developments, a directive to the city manager, to meet with stakeholders and provide the council with a plan to initiate inclusionary zoning and homestead preservation districts. That is a portion of the HPD legislation sponsored by -- by state rep Eddie Rodriguez and I know worked on by my council colleague Renteria for quite some time. Also a directive to the city manager to conduct this comprehensive local real estate market analysis so that we can make our density bonus programs and smart housing program everything that it's supposed to be. A directive to the manager to initiate a code amendment to require non-discrimination based on income as part of our smart housing program and density bonus programs. That was one of the low-hanging fruit identified by staff today. It also includes directives for smaller housing and more housing in high opportunity areas, a directive to the city manager to prioritize opportunities for smaller housing, smaller lots, in high opportunity areas as part of our code rewrite. If necessary to present any amendments to our comprehensive plan to do so.

[10:57:30 AM]

Directives to the city manager to present options to the council to create more diverse housing opportunities in areas where deed restrictions or other private companies, private covenants can have a disparate impact on lower income communities, communities of colors, those that exclude renters or can't pay for large pieces of property. Some directives to get a larger public investment in affordable housing. If you see our budget as a moral document, we clearly need more of our yearly revenue to go to -- towards affordable housing preservation and production. For me, I don't feel good about having the

best police force and the best parks and the best water system in Austin if only certain people can access it. So I think we certainly need to increase that part of our budget. So we have directives to -- to include new property taxes generated from former county and state-owned lands, which I know was also sponsored by the mayor pro tem on last week's council agenda. Directives to provide a recommendation on how to redevelop some more city-owned land, including properties with existing facilities. I know that's been some constant work, but I think it's important to keep pushing on that front. Asking the city manager to research and provide recommendations regarding the possible introduction of affordable housing fees, especially for new commercial developments. This is a tool that many other cities have successfully utilized to generate quite a bit of revenue for affordable housing production and usually we have to conduct a nexus study in order to set those fees. And, finally, initiating a code amendment to consider options for helping low income homeowners to stay in place. Right now, we have far too many homeowners that their only options are to pay exorbitant property taxes they can't afford or to sell their property. They only have those two options and I believe that with some innovative minds we can come up with more ideas beyond just adus,

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how can he with give more liberty to those homeowners to -- to stay in their neighborhoods and to utilize the asset that they have. And so that is not a prescriptive code amendment, but instead districts the city manager to initial -- instructs the city manager to initiate a property to initiate tools that provide lower income homeowners the options to rents or sell portions of their property in order to maintain ownership or parts as their property values rise in the city. Without further ado. I'm happy to answer questions from my colleagues on this or field ideas before we call up the speakers. My intention was this today is, of course, I feel comfortable with all of this. And so I'm happy to recommend whichever portions this panel desires. But if there are parts that need further discussion, we do have councilmember Renteria housing coast as another time slot. It's certainly not an exhaustive list. I have invited all of the councilmembers through the message board to present their ideas and continue soliciting ideas from the community on this. Would you like to -- >> Renteria: Personally, I really want to thank you for this work that you have done. I really am -- in supportive of stay in place. I had my friends and ex-councilmember Raul Alvarez try to set up a program where he could get donations to help assist older senior and residents there in east Austin to stay there by trying to raise money to help them pay, to catch up on their taxes, property taxes. And, you know, it was a hard and long process. Even though it was a noble

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event, what he was trying to do, it just didn't work because they're just -- there just wasn't enough people that were willing to donate to support that program to help them stay in their house. So -- but we definitely have to look at other tools. So that group we could help these people stay in their house. It's a real hard struggle for some of these older, especially older senior folks that even though they have tax exempt, they are homestead and the freeze of their taxes by the school district, their taxes, their value is still going up and their taxes are still going up. So we really need to reach out and try to help as many of these seniors that we have in our -- especially in my district. But I know that's happening all over town. So ... >> Casar: And I think the challenge but also the opportunity there is that -- as values rise, oftentimes seniors are sitting on a big asset. If we can help them have more options to leverage that asset into something good for them, as an option for them, I think that hopefully we can help those folks out and I think with the creative minds in the room they can come up with some good ideas. >> I was fortunate enough to do that myself. I saw what was coming down. I had a secondary unit in my

property when I bought it there was two houses. One was just what we call a track. So we tore that down -- a shack. We tore that down and built another unit on there. By doing that we were able to rent out the front part of the house or the back part, depending on the time when we were there and raise enough revenue so that we could pay our taxes. And basically, you know, we made about 5 or \$6,000 and that was it, you know. We said okay, we made our taxes

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and we just stopped renting it for the rest of the year, but that was one way that I was able to survive. >> Tovo: I have a couple of questions for councilmember Casar. I wanted to follow up on something councilmember Renteria mentioned. It was my understanding that east side gardens continues to raise money for property relief. I want to make sure that the property knows that -- I was just looking at their website, I believe in 2014 they were able to provide tax assistance to 24 families. As far as I know, it's still up and operational. >> Renteria: It still is, but they are having a very hard time trying to raise funds. >> Tovo: It's a great model. I hope anyone listening will look into it, it really is a neat organization. Councilmember Casar, I want to talk a little bit about how this fits into other efforts. Some of what you've identified are code amendments that -- I want to understand how that fits into our codenext process and so I guess I'll start there and then I have some other questions for you. >> Casar: Certainly. So I think there are two -- well, three code amendments that are potentially listed here. One is inclusionary housing within HPDs, another is source of income, discrimination in our voluntary program and another is the stay in place model. Let me see if there's one that I'm missing. >> You have talked about prioritizing opportunities for smaller housing and smaller lot sizes, which would require code amendments. You've also talked about changing, eliminating rules in -- I good he is that leads to the smaller housing, smaller lot sizes. Did you intend for those to be topics within codenext which they already are -- >> Casar: That's the difference. The three identified would be potentially more immediate changes and my understanding, but Mr.

[11:05:34 AM]

Roberts can correct me, that none of those three are specifically in the scope of codenext as I've laid them out here. Inclusionary zoning within HPDs I don't think it's specifically in that scope of the work that we will be doing. The source of income non-discrimination I think is not a codenext is and a low hanging fruit that we can take on. And finally stay in place I think is hoping -- there's certainly some working done, but I think by the affordability subconsultants in this work, but I think that this would be an expansion of that work. But we can certainly ask Mr. Robertson to clarify that. On your question around smaller housing and high opportunity areas in codenext, I think that this would be an urging for what's already going on in the codenext process with a focus on, you know, we talked about -- during the discussion, we talked about what a more transparent process would look like for having smaller minimum lot requirements and minimum land purchase requirements for housing. And I think that what became very clear during that discussion is that we certainly have to tread carefully when we're talking about lower income and more vulnerable areas where older housing stock is more quickly replaced, but I think that there seems to be quite a bit of consensus on the dais that in our high opportunity areas, we want as many people to have the opportunity to live there as possible and to provide diverse housing types there. So I thought it was germane in the fair housing conversation, especially since that was indicated in our impediments to fair housing report, to really push and support codenext's efforts to have more housing opportunities in those high opportunity Zones. >> Tovo: So in some cases these are requests to consider within codenext and in other cases they are code amendments -- >> The one that says in codenext is in codenext and the others that just direct the city managers to do so do just that. >>

Tovo: So you want the

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city manager to talk about -- to think through land use changes with regard to deed restrictions and private income -- private covenants, but outside of the codenext process? >> So this would direct the city manager to present options on creating more diverse housing opportunities where deed restrictions and private covenants had a disparate impact. >> Tovo: I can read it [multiple voices] -- >> Casar: I think that's much more complicated than just a code rewrite. Deed restrictions, as you know are private covenants. Some of those options may mean outreach to those neighborhoods to talk through how it is that we can eliminate things that may have a disparate impact. It may require executive sessions about what we can do legally if there are deed restrictions that are legal and illegal. As we know, there are many private covenants on land still existing that are unenforceable because they are unconstitutional. I think that we would want information from the city manager on how to deal -- >> Tovo: But what's the timing of all of these that you are contemplating. >> I think clearly these are directives to staff. Some things as you know take a long time. Some things work more quickly. I would imagine a code amendment to include source of income, non-discrimination. I would imagine it would happen rather quickly because we have the old ordinance and we know how to write it in. Whereas a longer conversation about some of these other ideas could, you know, take a year and more. Obviously things happening in codenext I think will -- we already have it set up to taking over a year. >> Tovo: So we probably will have an opportunity to go through these more carefully, in a more focused manner. I think in part based on the conversation we had last week about the affordable housing trust funds, I think

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in some cases these bullet points as you recognize speak to ongoing initiatives. I am -- if they must be considered within this proposal, I'm not inclined to support the proposal because some of these -- for example, the public -- the public lands. We have a slew, as you've mentioned, of initiatives that have directed the city manager to go and look at public lands. As [indiscernible] One he returned about a year ago, must have been a year and a half ago, three particular lands that would be appropriate for affordable housing, we have a study and analysis the staff have done of the crestview tract up in district 7, we have directed and now have an analysis back on winnebago, while I'm very supportive of having, you know, a bullet point to ask -- well, I just have to ask that question. I mean, what -- if we're asking the city manager to go and do something that has he -- work that has already been accomplished, I would rather see us take the next step and see us move some of these projects forward. I sure don't want to direct action that goods to go get in the way of us moving and advancing the idea forward. The same would be true of the affordable housing trust funds, same true of the density bonus reference in here, work that we've been waiting for this report back. I don't want to delay any of those initiatives that are already in progress or have -- for which we already have responsive information and need to take the next step. >> Casar: All right. I will discuss all three of them then. On the county and state-owned land and the tax dedication, I think if we want to dedicate that money for this year's budget, that's a council decision and I imagine that would be on the faster track than other things that would take some time. The second issue that you brought up was the city land. And I asked that same question of some of the advocates that affordable housing folks that wanted that included. Many of whose efforts brought about the

[11:11:37 AM]

resolutions that you've described. And they just urged its continued inclusion so that the city manager keeps it on the radar and continues to presents more and more projects, especially co--located projects. If you have objection to its inclusion, we could certainly ask those folks who are here why they think it's important to keep it included. And then third, I forget what the very last one is that you asked about. >> Tovo: Density bonus. But I guess with regard to the public land, for example, I mean I want to be careful to provide direction to the city manager that is going to result in some useful action. Because it will require a fair amount of staff time. You know, we have a response, for example, about looking at some of the library parking lots and using those for affordable housing that came in response to a resolution. We have other responsive -- I think that we ought to talk maybe in the housing committee and here and maybe in future months about how to take that work -- rather than ask the city manager something general about looking at public land, I think we ought to look at the analyses that have been done on public land, both co-locating, looking at some others in terms of transformation and actually advancing that work further. >> Casar: I agree with -- [multiple voices] >> Tovo: Specific things that have already -- for which work has already been accomplished and see how we really move the ball. >> Casar: No. I agree with you. Entirely. I understand that housing works has been working on lots of those issues and -- >> Tovo: Staff. >> Casar: Staff. I will ask on that particular one that we get some more detail on how we can move the ball further or why it might make sense to bring the ball backward on this one to usual more options. Urge more options. On the density bonus, I think all -- all this is urging is that comprehensive analysis. >> Tovo: Okay. I already provided my comments about that. I think it's fine to do a

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comprehensive, but I don't think it should slow us down from continuing to look at the density bonus, part of my concern is that you posted on the message board that you wanted the affordable housing trust funds to be considered within this broader framework. While it's fine to have that be a topic of discussion, I don't want the broader framework to then become the organizing method as we move forward because, you know, I think it was last fall that I announced that I was doing that housing trust fund, I don't want to delay any further and get us beyond the budget cycle. I don't want to delay some of the work that's already in progress, because it's in a new framework. As long as we are -- [multiple voices] That's not the intent, then I think that's fine. >> Casar: I think it was important to put together a longer list. We've been speaking with staff and with the community that we would bring all of these forward today and on the county land one I just hope that our staff by the time we vote on it in June can present us generally with a trend of how much money it is we hope to dedicate because my hope is, you know, I co-sponsored that resolution, I think that we want to maximize the amount, but also for the sake of transparency and good governance, I want to know what it is that we are doing before we vote ont, but I'm very supportive of maximizing the amount of money in that fund. >> Tovo: Generally, it sounds like this the intent here is not to put everything under this umbrella. It's just to talk about these are all different goals. But I do think that we need to provide a city manager with more direction on some of these issues about what we really expect back. >> Casar: So I think you raise two concerns there. First, no, I do not think that the slowest of these proposals should slow down the fastest of them. Instead I think they all are going to have their own track, their own timing. And then second, yes, if you want to -- if you have useful amendments that the panel would appreciate to make these more specific, on what it is that we get back from the manager, I certainly welcome those.

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I think that some of them are purposefully broad such as stay in place so that we get all of the different

options on the table from the community. Whereas if on city-owned lands we want to specifically move the ball forward on some specific projects, I'm happy to do that. I would just ask some of the folks that urge that that be included as part of the discussion today to make that part of their comments when they testify. >> Tovo: That's really helpful. I appreciate that. I think that as long as those two things aren't together, as long as this isn't -- this is -- I think as long as there's not a -- not a discussion about slowing down projects that fall within these categories, until the manager reports back, then I'm fine with the general statements of support for those kinds of issues. >> Casar: And I think that for example supporting a comprehensive market analysis is somewhere I likely will have consensus from what I can tell. If there's a discrete proposal before that market analysis is conducted to change the density bonus program, I think that falls within everybody's comfort level to make that decision based on everybody's proposal. Okay. >> Gallo: Are you all finish ed? >> Casar: We're finished, you're up. >> Gallo: I didn't want to disrupt. That was good conversation. I appreciate you bringing this forward. It encompasses a lot of different ideas. I want to say my support will always be to incentives, not additional regulations that has -- that have the potential to impact the speed at which we can produce housing stock in this community. I think the issue of affordability in this community is directly related to the fact that our demand is exceeding our supply. And we have to be very cautious when we start adding additional regulations that would impact the ability to produce more housing and even if it is at market, it is still allowing the market rates to become more affordable because there's

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additional supply. So as you folk about the first section and more mixed income developments, once again the inclusionary zoning, I'm interested in something that would be an incentive for that, not a requirement, not producing additional regulations that layers that in to certain entitlements that people have already. The third bullet point, which is talking about the source of income, it's my understanding that the courts have already said that source of income is not allowed to be required except for veterans. I think that legal needs to chime in on that. The problem with source of income, also, is that a lot of times the source of income is a requirement for a property owner or landlord to participate in a particular program like a H.U.D. Program that they may not normally participate in. And so I think particularly as we talk about the small owners and small property owners in this community, that's another administrative level that we're requiring them to do. Once again I want legal to really look at that. It sounds, you know, it sounds easy, but from a -- from a -- an administrative standpoint when you start talking about different leases, different policies, different procedures, we are once again adding an additional administrative layer to people that are helping with housing in our community. So I just want us to be very careful about that. >> Casar: Councilmember, I don't want to interrupt you, but may I interrupt you briefly on that one? [Laughter]. I just want to make clear for those watching that this would propose a code amendment for in our incentive programs that if you choose to take advantage of that incentive, and build that significantly larger building, I think it's safe to assume this would be larger property owners that would take part in the density bonus programs at least, smart housing would be a different story and something for us to look into, that -- that then you

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would have the -- the non-discrimination based on source of income. So I would see it as very different from the city-wide rule that was -- that was struck. >> Gallo: Okay. Thank you for that clarification. Once again, if it's an incentive, if it's a voluntary program, that provides benefits and someone can choose to best place to be. Smaller housing and high opportunity -- in high opportunity areas. The second bullet point, I think we should encourage diverse housing opportunities throughout our city. I'm a little

concerned if we are directing it specifically to areas that have private covenants and deed restrictions and we are trying to circumvent those, so I would just want legal's cooperation and interpretation on that. I think we need to be very careful with that. Larger public investment, I think that I have already said my concern about the first bullet point, which is to direct the city manager to include new property taxes generated from former county-owned and state-owned land as funding for the city's housing trust fund. You know, we are taking future tax revenue away from the general fund and we really are directing future councils in how that can be used and we are directing this to go specifically to affordable housing. We have so many needs that we have to balance on this council from -- from parks and park maintenance, from libraries, from health and human services programs and I'm really concerned. I know that there was additional language added to mayor pro tem's -- tovo's language that said during the budget cycle that the council in future years could direct that that money moves to some other funding department. But that still would take a council vote and a majority of that council to move that money and I just think that we are setting up a system that is going to impact future councils on their

[11:21:39 AM]

ability to direct the funds from the general fund to different departments into different needs that we have in our community. So I will still continue to have concerns about that policy. Stay in place, absolutely, I think whatever we can do to help our elderly and disabled community stay in place is something I would support. You know, there are things in the private sector that help them to do that, reversible mortgages is one of those. I would be concerned if we are looking at funding programs to help fund any equity. I'm not sure that's what you talk about as far as funding programs. But absolutely. I think we need to look at those. As we develop housing stock changes, I think that will automatically help some of these properties that seniors own and be able to do things better and provide income. So generally, I think there's some really good ideas. I'm looking forward to continuing discussion with all of them. But those would be where my concerns are. Generally great work. >> Casar: And the only comment that I would make on the focus on high opportunity areas is considering our fair housing goals being integration, economic integration, you know, some of the barriers to those fair housing goals in high opportunity areas have been identified as some of the private covenants existing in those areas and this is in specifying how we address those. I think that there's lots of cooperative ways to address those, but in the end just asking for a police report from the manager on steps the council can take moving forward. >> Gallo: I had one more comment I'm sorry with the is it a I in place with seniors. Thank you -- stay in place with seniors. Seniors pay a really large portion of their income on taxes and I'm going to talk

[11:23:40 AM]

about utility bills, too. I think one way, we talked about in our budget workshop. Often that percentage of their income is small when you look at their own expenses, but that percentage of their income with property taxes and utility bills are the one thing that we as a council can directly have control over. So as we talk about the budget and we talk about trying to spend on so many needs we have in this community, it is a balance because if we as a council can make sure that utility bills and property tax bills don't continue to go up each year, then we are having a -- we are having a positive impact on that portion of our community. And we do have control over that. And I think as we -- as we try to balance those needs and control spending, that is a way that we can help everyone in our city. You know, we're looking at bringing forward a resolution that increases the senior homestead exemption again. Because as we all know, property tax values have gone up at least 10% this last year. And so unless we do something, they're going to get further and further behind. So I think there are ways that we can help as

a council when we address our spending during the budget to keep our property tax bills and our utility bills at the very least what they were last year and not continue to go up. >> Casar: Any other comments before we call up speakers? Mayor pro tem? >> Tovo: I have a question on the last one. Think that we have specific -- I think we have specific -- I have some specific questions about all of them, but I'll just hit the stay in place for a minute. I heard you talk about a report, direct the city manager -- you talked about having the manager come back with a report with recommendations, but the language is direct the city manager to initiate a process to consider tools, which is typically the language we use when we are initiating code amendments. On some of those, I think that's kind of generating that -- that bigger question that I asked you before about, you know, what -- in each of these, what are we expecting back? I think getting some clarity to that would be helpful. Are we really just asking for a report back with recommendations or are you

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actually asking the city manager to initiate a process to consider tools that would allow somebody to sell off part of their house and continue to live there. >> Casar: Great. I think we can get into that after we get maybe some public comment on the issue so that people get a chance to talk to us before we keep chatting up here. Right before I call citizens up, I would -- I would agree generally with your sentiment councilmember Gallo, but I do think we have control over more things related to affordability than utility and the tax bill. I know that you know that. Because I think we can give people more options to do more things with their land and that can impact affordability. Potentially. I would hope even more than their utility bill or their tax bill. And I think if we go through this exercise, maybe we will find out that we can do that. So ... Okay. We will call up speakers. And so first is Lauren Johnson. >> Good morning. So I just wanted to have a couple of minutes of conversation because this is a very important topic to me on multiple levels, having had my father, he would be homeless if he weren't living in my son's bedroom right now. So all of this is very pertinent and very personal to me. Over the course of the last couple of years, my brother passed away, he was disabled, they lost the disability income that they were getting for him and this all happened six months after my father was hit by a car walking to the bus stop on his way to work. So the apartment complex, we went to talk to them, they said oh, don't worry we'll work with you. But what they meant by work with you, was they meant they would take his late fees just like everybody else, that's them working with him. They struggled for a year and a half to keep their head above the water.

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Finally they couldn't anymore. The job that he's had as a waiter at I hop for the last 13 years fired him because he's no longer fast enough to do the job. So over this time, I've been working with him trying to find solutions and what's frustrated me the most is to hear how many times the words fair housing were used as an excuse to not do anything to help these people. So that's my first biggest point is that I think that the people that started talking about fair housing didn't intend it to be used as a weapon against people. I've been to some of the imagine Austin and codenext forums. I was a little bit disappointed, maybe there was a reason for it, I don't know, but I was a little disappointed that they steered us and kept us within some silos. I think that if we're going to have community forums, we should give more of an opportunity for the community to put their ideas into play because maybe some of our community members have better ideas than the people at the drawing board. And so one of the things that I would like to bring up as we're having these conversations about expanding affordable housing and we're talking about vulnerable populations like the elderly, like my father, like my brother might have been, I want to continue our conversations about the disenfranchisement of people with criminal histories and

how wonderfully successful this initiative to house our homeless veterans has been. Seems to me that the conversations that I hear allude to the fact that we're going to move through the veterans, then we're going to move on to another population that's targeted because it seems like a more attainable goal. That's great except that five or 10 years from now our biggest and only goal will be to house homeless people who have criminal histories. I think that it is highly important to weave that into all of these conversations because it's a huge problem. And we might not be able to create policy today that

[11:29:41 AM]

fixes that, but if we weave it into these conversations, then along the way as we're fixing the other stuff then it can be built into it. So I would like to -- to make that part -- N [buzzer sounding] The other thing that I would say is when we're talking about zoning, co-op housing would be a possible solution and I remember talking to somebody at one of those meetings and apparently our zoning restrictions are very unfavorable for that sort of solution. So maybe we can continue conversations about that while we're having these conversations. >> Casar: Councilmember Gallo has a question. >> Gallo: I appreciate the comment about co-op housing. There's actually is an organization here in Austin, my policy aide is right over there in the blue shirt, if you wanted additional information about that. They are trying to become more and more active with that message. I know that they would always like additional people to help with that. You might -- it is a good solution, seems to work well where we allow it to work. >> Thank you. >> Casar: I think the housing committee will be potentially working on something to -- to further cooperative housing and I'm happy to work with y'all to see as part of this shotgun approach of initiatives we can look at fair chance housing opportunities whereas we can -- where it is that we can create them as well. So thank you. Other questions? Our next speaker is frank frankheron. >> Their Casey is here, but in the other room. >> First of all, thank you for your hard work in bringing these proposals forward. You certainly have my appreciation and admiration

[11:31:42 AM]

and respect for doing so. Fully support, in conjunction with, some addressing of the underlying economic dynamic that covers the entire general market. Because that is key. The less we do with respect to the overall market, the more expensive that becomes, the less effective any subsidized program is going to be. You will get fewer and fewer units until you just can't afford them anymore. Success in this area all comes down to density. I mentioned earlier you have three elements of cost in building any unit. The only one under your control that applies both to market and below market housing is land cost per home. \$40,000 for an apartment home, \$240,000 for a single family home. That's a big, big impact. That's where the money is, that's where the key is to making these programs successful. The density bonus programs. Those have become the most they are called density bonus for a reason. It's all founded upon how much density you are willing to give us. I traced our residential zoning policy recently back to its beginning in 1928. And found that over the years, our residential density limits had actually gone down in the last 88 years. Since we had a total population of 47,000. Today'sst 3 zoning will be found in the 1928 comp plan and the 1931 ordinance that implemented it. That was our first imagine austin/codenext. Our residential density policy became 35 feet high,

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one or two family use, front, side and back setbacks, it was actually a balanced, a hybrid code that included form based code throughout the city as well as [indiscernible] Zoning. We haven't done anything over that 88 years to urbanize, to be more liberal, to allow other housing types and uses. In

fact, we have less of a mixed use residential zoning policy today than we did 88 years ago. My main comment would be beyond that, the first sentence of the imagine Austin vision says that in 2039 Austin will be a beacon of social equity. We got a long way to go. Most economically segregated in America and losing our African-American population by leaps and bounds. N [buzzer sounding]. So we need to add density everywhere. Thank you. >> Mr. King, you're next. Following David king is Nicole Joycelyn. >> Thank you councilmember, chair, thank you very much and councilmembers, my name is David king, I live in the zilker neighborhood. We have a community housing in our neighborhood, happy to have that. We support affordable housing and we -- the actually the missing middle is not missing in our neighborhood. We have a lot of missing middle housing and a tour last week showed that. I think if we're going to talk about these policies, then we need to really understand what's going on in our neighborhoods now. And this general perspective that every neighborhood in central Austin needs the missing middle and we need to go, you know, get rid of single family housing and make room for the missing middle, I think that's -- that's -- you know, that strategic is not going to get us where we want to go. It's not going to get us the

[11:35:43 AM]

affordable housing, it's not going to make a big dent in our affordable housing. You know we are talking about these incentive policies. How come the only game in town is I'll give you some density, but you've got to give me some incentives. That's pretty much the only game in town. And it's ineffective. We know that. I think the elephant in the room is the fact that we have so much rezoning and upzoning going on. And as we sit here today, how many more families are going to be pushed to that brink of being forced out of our city? How many? And that is a policy we can affect. Up zoning and rezoning is a discretionary policy. You do not have to do that. And we already know under current zoning that's on the ground we could double our population and despite some of the information that you heard earlier, Austin's density has increased by 57% over the last 10 years. So we're doing it under the current zoning. Why -- I don't think it's a disputed fact that upzoning creates the incentive to continue to redevelop existing affordable housing across our city. That's not in dispute. So why would we continue to do that? If it's not working. If the side effects are so bad. So I ask you to look at other policies than just incentive-based programs. A policy that says any upzoning or rezoning requires a super majority vote of the council. It's a discretionary policy. Why can't we do that? How many more families are going to be pushed to the brink and be pushed out to the edge of our city? And we're talking about the loss of a socio-economic diversity of our neighborhoods. I can see it in our central Austin neighborhoods. It's primarily due to our pro density policies that escalate the land prices in our preferred development zone. Every large city that has done that, the same thing has happened. People of low income, people

[11:37:44 AM]

of color, are pushed out to the edge of the city. Why would we want to do that?!! Are those facts in dispute?!! You've seen the same data that I've seen. Every large city that has done that, that has densified their urban core has pushed out people of color and low income families to the end of the city. Buses buzz that's -- the end of the city. N [buzzer sounding], that's a moral issue and I hope we stop doing that. Thank you. >> Casar: Our next speaker -- you're here. And after Ms. Joycelyn is Matthew Cornwall. >> Hi, my name is Nicole Joycelyn with the Austin community design and development center, a non-profit that provides sustainable design planning and development services for low income individuals, households and neighborhoods as well as the organizations that serve them. One of our primary programs is the alley flat initiative which began in 2005 and it's a collaboration with us, the university of Texas center for sustainable development and the Guadalupe neighborhood development

corporation. We work together to provide alternative affordable greenhousing development solutions. So what we primarily do right now is work with private homeowners and community development corporations to develop accessory dwelling units on single family lots that participate in smart housing programs so they provide additional, affordable rental housing, while providing increased income generation for the homeowners who build the units. So -- so our program fits most solidly in this stay in place initiative. Which I believe is very important and we have seen our units be able to provide that extra income to homeowners to be able to afford increases in property taxes. But we also are seeing huge barriers in being able to access financing for

[11:39:45 AM]

homeowners in particular to be able to build adus or even participate in any other program that tries to help them pull more value out of the property other than just selling and moving somewhere else. So just from our experience, we've seen a lot of homeowners come to us who are on fixed incomes, who are disabled, who are not necessarily elderly or senior, but are artists or musicians or people who maybe bought their house 10 years ago and it's increased in value to a point they can no longer afford to live there, but they also cannot access any traditional financing mechanisms to be able to build a rental unit on their property and generate that extra income. They also face an increase in property taxes once they do build that unit. Which through smart housing is capped at a rental income limit, but their property taxes are not -- you know, also capped at how much it can increase. So it puts them in -- in an impossible situation, really. So as you guys consider these stay in place options, I would encourage you to also consider generating some other financing mechanisms that homeowners can access to be able to do this. Because right now the market isn't really serving that. I know that Jake Wegman is going to speak to that a little bit later. But also to be able to provide some sort of way for smart housing or other incentive programs to speak with the county assessor and be able to have some sort of solution to where that income, that rental income cap can also match N [buzzer sounding] A cap in property tax increases. >> Casar: Thank you for the work that you do and for coming today. The intent of what it is that we have on the table is to look both at funding sources and code amendments to help y'all further the good work. That you are doing and others are doing. So thank you for doing that. Of if we do get this kicked

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off, I hope y'all will participate with creative ideas beyond the existing alley flat work that we currently allow. >> Definitely. >> Casar: Thank you. Matthew Cornwall. After Mr. Cornwall, is Andre lubomadrove. >> I'm actually going to shop my position with this gentleman because he has an appointment to go to and then I'll take his position. Okay? >> Thank you. >> Thank you for accommodating me. I'm here on behalf of -- my name is roger [indiscernible], I'm here on behalf of friends of Austin neighborhoods. Our mission is to improve neighborhoods and improve neighborhood representation and move beyond neighborhood protectionism. Can you put the slides up there, please. So this is actually a quote from our chairman of the economic -- council of economic advisors at the white house. And it pertains to what we're talking about here as far as smaller housing in high opportunity areas. I would like to read to you the resolution from friends of Austin neighborhood's members pertaining to that. That. So our member neighborhood associations and at large individual members voted to send this letter to you, which hopefully you received but I want to make sure it's sort of on the public record. Fan stands for inclusive Austin that welcomes people of all socioeconomic backgrounds throughout the city. When our policies limit the amount and diversity of

[11:43:46 AM]

housing we effectively segregate our communities, preventing all but the privileged few from living in the highest-demand neighborhoods. We strive for diversity to be a defining character common to all our neighborhoods. We support a broader MIX of housing types throughout the city to increase the socioeconomic diversity of our neighborhoods. In addition to detached single-family homes, the MIX of housing types should include options such as row houses, triplexes, quad plums and tiny homes. Permitting these housing types would increase opportunities for more efficient use of very limited land resources, help to address supply demand imbalances, enable more to live in close proximity to jobs, shopping and services and reduce combined housing transportation and utility costs, bringing us closer to fulfilling the imagine Austin plan's vision of complete communities as reflected in the indicators listed on pages 225-226 of the plan. We call upon city leaders to allow for this housing diversity by decreasing minimum lot sizes and providing more opportunities for the construction of row houses, triplexes, quad plumes and tiny homes in our neighborhoods. Thank you. >> Casar: Thank you, Mr. Coven. Yes, Mr. [Indiscernible] is next and then we'll have Matthew Cornwall up. I will make reference quickly to Mr. Coven's quote from the white house that I think that what we've presented today does have some portions where we think -- at least I believe that by loosening regulations we can promote diversity but also in other places where added regulations and government intervention can do so. So I hope that in reviewing this, the public can see that

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there's a good MIX of both that I think can lead us to the end result. So now that you've put up with me talking, you're on >> Good morning, everybody. My name is an draw [indiscernible]. I'm with the Austin board of realtors and I'm here to offer a few comments and Matthew Cornwall will say a few additional things. First I want to talk a little bit about coordination. I've been -- this is my third meeting in two days related to housing affordability. Yesterday afternoon I went to the nhcd housing -- affordable housing shop stakeholders meeting that came from resolution that councilmember Garza had passed. And so, anyway, there -- I'm looking at this. There's about -- there's 15 different recommendations on here. Each with subbullets and subpoints. So we talked about that. Then yesterday evening I went to the codenext code prescriptions meeting, and we talked about the staff's code prescription paper and the ideas that were within that. And then I would admonition to that there's also the N -- nhcd is working on the housing plan, which will include its own set of recommendations and ideas as well. So I'm just -- I'm look at kind of a lot of policy wheels turning here. And I just think that it would be helpful to try to coordinate those efforts a little, make it a little more streamlined so that people can look at a bigger picture a little easier. Just, for instance, there's some ideas that were in this that I think would be interesting to include in this resolution. So just one thought on that. And then I have just quickly, with regard to the housing on city-owned land, I know there was a couple resolutions formerly on that. I actually haven't been able to find the staff response to the mayor pro tem's

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resolution. So I'd love to be able to look at that, but I just think this is an ongoing area of consideration, and it seems like there should be a way to keep what we've done and use that and then also expand on that a little point and I think one thing that this resolution adds is looking at not only land but all property, including with the existing structures -- existing structures, which I don't believe the mayor pro tem's resolution was that -- quite that broad. So there's a thought there. In addition, I just wanted to really quickly speak to councilmember Gallo's question on source of income, that the state law

specifically allows source of income to be included for voluntary incentive-based programs. So I don't think that would be an issue in terms of this resolution from a legal perspective. I wanted to talk briefly about just the inclusionary zoning, which we don't have a position on that at this point. But it -- typically it's something that real estate associations come out opposed to. [Buzzer sounding] And I just wanted to say I will provide you with a copy of this university of hue study, and just say that -- I'll finish up here with this sentence, but just do say that we have to be really careful when we're making policies that impact the housing market and additionally potentially place additional constraints on demand which can actually have unintended consequences that make our housing problems worse. So, anyway, I hope staff will look at that in detail as well. If they can conduct a nexus study. So thank you. >> Casar: Thank you. And, Mr. Cornwall, I apologize, you said you swapped stops so I've got you a couple spots further down

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now. >> No problem. >> Casar: I think we have a couple of questions here from the dais. Mayor pro tem. >> Tovo: Thanks. If you contact my office, I'd be happy to get you some of those. It was actually councilmember kitchen Reilly who sponsored a resolution asking staff to report back on the use of library properties that could be use for former hours and a similar resolution looking at a tract over on fifth or first street a site of public works, again, looking at it for the possibility of housing, mixed-income development as I recall and we did get a report back on that. Mine related to winnebago and we have an analysis on that, also a crestview tract, and we have an analysis and there was a more general one I sponsored asking for three publicly owned land sites that could be available. So, again, those are multiple different reports and we'd be happy to get them to you if you contact my office. >> Sure. And if I may make a request, it would be really convenient if maybe the nhcd or I guess it would probably be nhcd had those all compiled in one place online. Because I remember ten years ago when I was staff at nhcd people were always asking for studies on public land and how much city land and what could it be used for. So it -- I kind of -- ten years of people, you know, doing about that and so, anyway, it would just be nice to have that all in one place. In addition, I know that this isn't in the city's province but I'd like to look at county land too, and I think they are doing something like that. But -- >> Tovo: Yeah you raise a great point. The other thing I would mention is that some of our annual studies, annual housing studies, also identify particular tracts that could be used, and we have various task forces that also have identified various publicly owned lands that might be used for housing. So I do think it would be useful to see that all in one place. And aisd has the begun a

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discussion of that sort as well as and that is taking place at the joint subcommittee of the county, city and school district. So thanks for mentioning the county one as well but we'll see if we can figure out how to pull that together. >> Okay, yeah. That would be nice. Almost every meeting it comes up somehow. >> Tovo: Yeah, that's right. >> So -- >> Gallo: And thank you for the -- Andre, thank you for the comments about things coming from a lot of different places. You know, I think that's why we all get enthusiastic about trying to figure out a way that we can push everything together, both what we're doing now and what would be recommendations from a policy standpoint. Because it does feel like that from this side also. So it -- when we talk about consultants, we talk about funding for something like that to really look at our affordability, our affordable housing programs. I think that's really critical just from the standpoint of being able to manage it well, being predictable and being transparent. I think those are really important things that perhaps we have not done a real good job on the in the past that we should work on so thank you for bringing that to our attention again. Thank you. >> Casar:

[Indiscernible] Is next. >> Thank you. Excuse me. Thank you. Sunshine maython with foundation communities, large housing developer here in the city of Austin. In general I wanted to offer my support for all the work that has gone into the fair housing initiative white paper right here, specifically I'd like to address two specific issues we just talked about to some extent, which is I think it's important for us as a city to identify how to get city-owned land into play effectively for addressing affordable housing crisis in general in the city. As a large-scale affordable

[11:53:49 AM]

housing developer the cost -- this is true for everybody but the cost of land is becoming, in some cases accuracy deal breaker for us in terms of how we figure out how to do housing in the city. It is a critical pressure point so any opportunity to bring public land into play to help alleviate that pressure point either as sale or long-term lease is usually beneficial. The other piece that I wanted to touch on as it relates to inclusion airy zoning, so I was in Boston last week at the uli housing conference and the uli center for housing is in the next couple of weeks going to be releasing a set of guidelines and recommendations for municipalities around inclusionary zoning in particular. And how to construct it well to match up with not constraining development, but finding that sweet spot for just enough to get housing -- affordable housing built but not enough to constrain actual development. The state of Texas is now obviously the only state that outlaws it in general, the or gone vote recently changed so we're the last state. So how we hone in there is a critical piece. I'll answer any questions if there are any. >> Casar: I have one briefly. Do you have -- looking at the language existing for city-owned land, do you have any suggestions how we can move the ball forward beyond where it is, than it is now, considering there's been so much years worth of work on it but that people keep on clamoring that we need to push hard center. >> The phrase "Provide a recommendation" is -- it can be -- could be loosely interpreted. So honing in on how to get actual action out of the process as opposed to another white paper for that -- wouldn't necessarily provide any legs to move forward. That's my only -- we need to move -- like, if it's really

[11:55:49 AM]

going to happen, for example, on the crest didview land or somewhere else, we really need to get things on the table asap. >> Casar: Okay. Thank you. >> I've got a question. >> Casar: Councilmember Gallo has a question. >> Gallo: You know, one of the things that I -- that I'm a big proponent of is that we have wonderful nonprofit and community organizations in our city that really do a great job of providing for a lot of the needs that are unmet, that we just as a city can't keep funding and funding and funding. So I really appreciate what you do. Do you -- and I have a question. Do you have any idea how much city resource money is used to provide the housing that you provide? >> You mean three the geobond? Is that what you're referring to specifically? On -- when we do a 9% tax credit deal over the last couple of cycles, generally speaking, I think it's safe to say it's somewhere in the 2.5 to \$3 million of general obligation bond set aside for affordable housing is used to leverage the 15 or in some cases \$20 million of tax credits on a project that we do. >> Gallo: So that would be one place. Then I know that your organization provides a lot of social service benefits to the residents. Is there any city funding that goes to that? I know a lot -- you have a huge volunteer resource that -- >> And I'd be remiss if I said I could speak to that accurately just because I work on the housing side of the equation of what we do. So there probably is but I honestly don't know the details there. >> Gallo: You just -- your organization is really a good example of an organization that has independently provided a lot of needs that can be addressed in this community. So I really do appreciate hearing your concern with the land and how difficult that's becoming to acquire. So thank you for making those comments. >> Thank you. >> Casar: Gary wardian.

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And then Matthew Cornwall, you'll finally get your shot. >> Good morning, councilmembers. My name is Garcia and I'm here to briefly introduce an opportunity for a public-private partnership to implement affordable housing policy goals at the city of Austin. This would supplement other city housing programs and it would offset gentrification by enabling fixed-income residents to remain in their own home in their own neighborhood. So it's right in the middle of the state and -- stay in place initiatives that you're talking about this morning. What is this? It would involve -- I call it the infill flats initiative. It involves small detached residences on residential lots that are already zoned for an accessory dwelling unit. That in turn provides income to the property owner to assist them to pay their property taxes where they're facing higher taxes and property owners to sell and move out. The mechanism that's core to this initiative is a unique one-stop shop for interested homeowners to access financing, design, construction, leasing and property management expertise. Right now there is no mechanism to pull all these critical elements together, and so that would be core to this particular initiative. This infill flats initiative could provide stable lower rents for those earning 80% or less than the median family income. It would involve a specialized nonprofit program manager be established, funded by the city annually, avoiding the need for additional full-time public employees of the city with development expertise to do that one-stop shop. The city in this financial structure would recapture

[11:59:53 AM]

about half of its seed funding within the year. In addition, the infill flats model generates taxable income. These are all on the tax rolls at fully taxable rates. So it generates long-term revenues to all five local taxing jurisdictions, far in excess of the amount initially invested. Travis county may participate at reducing the city financial resources needed to do his type of a program. Within this, the construction and permanent financing is provided 100% by private lenders, and the number of new units to be developed could be decided annually in increments of 50 for an economy of scale. So in conclusion, this is a triple play, I call it, in terms of affordable -- triple play I call it in terms of affordable housing, it benefits homeowners facing gentrification, benefits tenants in the lower mfi range, and it generates revenues that could potentially some day -- [buzzer sounding] -- Be used for other city housing programs. If the city has an interest to further explore this in detail, I can be available. Thank you. >> Casar: Thank you. >> Gallo: Do you have some written information you could leave with us or email to us? >> I'd be happy to email or meet with you or your staff. >> Gallo: Okay. If you could email it to us first, that would be great. >> Sure. >> Gallo: Thank you. >> Casar: Thank you. >> Good morning, city council, my name is Matthew Cornwall. I'm a local realtor in the Austin market. I am also the growth and development policy chair through the Austin board of realtors. I am heavily involved in the Austin independent school

[12:01:54 PM]

district as part of the campus advisory subcommittee through a joint task force with the Austin board of realtors. The Austin board of realtors is the city's largest trade organization representing over 10,000 members involved in all aspects of realtors and is generally supportive of this initiative. This includes creating an abundant supply and variety of housing and we specifically support the creation of workforce housing that is geographically dispersed through Austin. For that reason we are in concept supportive of the fair housing initiative and we look forward to being active participants in this conversation. To give you a little information on the state of our real estate market, since 2011, the

median residential home sales price has increased 44% in Austin. That's an average annual increase of 7.6% per year. Anything under 300,000 is generally not available and is generally into a multiple-offer situation with multiple families lining up to purchase that home. I had a realtor friend of mine who put \$149,000 home in round Rock on the market and had 49 offers, 56 showings in two days. So affordable housing is definitely an issue in the city of Austin. Increased sales prices also mean equity for those who are selling but it also means reduced purchase power for those who are buying, and it also creates issues for our seniors. We have three Austin school districts that have senior populations that will create issues for those schools in the future years. Doss elementary being one of them with 39.1% of the population zoned to that school being senior-base. Andrews being another and there's one in zilker, in the zilker area that is also -- has a large senior-based population. Given the realities of our market we are very adamant Austin needs small fixes as well as further-reaching changes over a long-term horizon. One concern we would offer is in deferring changes to codenext. With the time line for the

[12:03:55 PM]

project pushed back and the role of [indiscernible] Increasingly uncertain we can't afford to defer this two or more years. We would urge you to consider any code changes that be made now and also you expedite the codenext process, in particular the mapping component. In concerns of inclusionary zoning the one issue I have with it is if you look at the homestead exemption, they're all east of 35. It still creates a problem of diversity and -- in our communities. And that's all I have. Thank you. >> Casar: Thank you. >> Any questions? >> Casar: Mayor pro tem has a question for you. >> Tovo: Sir, I have a question for you. I was -- I wanted to ask you a little bit. Would you mind repeating for me the point that you were making about the particular schools that have high Numbers of seniors within their attendance zone? I guess I missed the -- >> When you look at doss elementary school -- I'm in district 10 and my daughter goes to doss elementary. 39.1% of the homes in that school zone have over 65 exemptions on them. Which means as our community and our neighborhoods change, those -- the affordable in that neighborhood is -- average price is over 625,000 so it's not going to be seniors moving into that area when estate sales or when they decide to sell. It's going to be families, which is going to create still an impact on some of our schools. Andrews and -- >> Tovo: I see the point you're making. Thank you. That's very interesting. Did I hear you say that you're on a committee, a task force that -- >> I'm on the Austin ISD task force, a joint task force between the Austin board of realtors and Austin ISD and I'm also part of the campus advisory committee within doss elementary and I've cycled within hill elementary.

[12:05:57 PM]

>> Tovo: I'm glad you're looking at that issue because doss is already a school overenrollment as I recall and closed to transfers because of that so I guess what you're group is doing is kind of looking ahead and seeing -- >> Correct. >> Tovo: -- With new families moving -- potentially moving into that area, that school is going to have an even larger enrollment issue. >> Doss has 856 students in a school built for 550. Hill elementary has 970 somethingsome students in a school built for 700. Doss currently has 28 portables on their campus. >> Tovo: Wow. >> 28 classrooms, probably 28 portables since they're double-sided. >> Tovo: Thanks for that information. Appreciate it. >> Gallo: Thank you for bringing that forward. Of course my kids went to doss so it's near and dear to me, but the Earth issue that we run into when the school population increases so substantially and is overenrolled is that then becomes a deterrent in the conversation for adding more housing into the neighborhood. And we've got to be able to separate those discussions because, you know, we need to depend on our school district to be able to provide the capacity for increasing populations of students, and I'm seeing that that conversation of

eliminating residential and developments in that area being tied to the overenrollment of the school. And so it is a conversation that I think we need to figure out how to work on and manage so that we bring the school district actually into the conversations of the rezoning in cases because we want to depend on them being able to do their job and provide for the additional students and not keep that from being a deterrent to increasing housing stock in neighborhoods. Where the schools are overenrolled. >> Exactly. We do have -- on the flip side we do have schools in east Austin that are generally underenrolled so it's the balancing ability of what do

[12:07:59 PM]

we do -- act of being able to have the schools get equal footing, so to say. >> Gallo: Thank you for your comments. >> Casar: Thank you. >> Thank you. >> Casar: Thank you for your forgiveness on calling you up so many times. >> Not a problem. >> Casar: Next is Jolene [indiscernible] Followed by Monica Crowley. >> Hi. Thank you for calling me up. And I congratulate you on a very ambitious program, but I wanted to speak because I was concerned about the disparity -- there's very many issues, some that are already being addressed, like at the nhcd, which is actually looking at some of these very issues right now. And, also, then realizing that codenext should be handling some of these affordable because affordable is a major part of when you're talking about land use and zoning. So I was a little concerned that we're spending millions of dollars on codenext and affordability is just not that many -- is not a big part of it. But you have so many things here that I felt like I almost should do a spreadsheet, and I thought, well, maybe we need to step back for a second, especially on your ambitious proposal. Because as Michael pointed out, as it affects my neighborhood and me personally, the highest opportunity areas are very, very expensive. And even if you subdivide lots, you probably aren't going to get affordable housing. And I was thinking about my lot in particular in a central Austin neighborhood, it's a substandard lot and it's definitely a house that we would not be able to afford if we were buying it today. And -- my husband moved here in '92. So he was very able -- he was

[12:09:59 PM]

very lucky in being able to afford something. So I thought, well, what we really need to do is to step back and look at infrastructure and look at specifically fire fighting capabilities and water mains and traffic a little bit, flooding, and impervious cover. And I bring up fire fighting because just coincidentally I heard at a party that the water main -- excuse me, allergies are just deadly this time of year. I heard at a party that the water main going down my street is used as a textbook example by the firefighters of a water main that cannot keep up with the development that has happened on that street and it's true. We had an apartment building burn down probably about eight years ago, ten years ago, maybe a little bit longer than that, and the main reason was lack of water pressure. And, actually, there was another reason-- too, because of a roof added on top of another roof. Because of that I've become more interested in infrastructure and especially water mains. So I say if you're going to be looking at these things, that you should bring everybody to the table and including aid. Because we are overall losing students. And I would like to -- [buzzer sounding] So you'd like to bring fire fighting and all these does&just start -- maybe take a step back. I do applaud it for being ambitious but I also think that as mayor pro tem tovo mentioned, that there's already these other things going on. >> Casar: Thank you. Monica Crowley you're next, and I will note that I think it is important for us to look at safety issues and

[12:12:02 PM]

everything related to planning and it's not good to have an economically integrated city where people's

houses are catching on fire. So I'm sure we'll check in with the fire department about what we do. >> Councilmember Garza and -- councilmember Casar and committee members, thank you for the work you're doing, I'm Monica Crowley with central health and I'm here to speak on this item as it relates to the resolution that is been successor latin regarding future allocations to the housing trust fund. We all know even though Austin is booming for many that doesn't positively impact every member of our community and in fact central health's demographic reporting projects nearly a 13% increase in Travis county families living below the poverty by 2019. Central health works hard to reach as many of these residents as we can, and in 2015 we directly funded services reaching more than 109,000 people and are supportive federal matching programs for our community's local hospitals supported their ability to provide hospital care to the uninsured and underinsured throughout our community. As a special purpose district created to ensure that low-income and uninsured people have access to health care, central health is a critical component in our community's affordability equation by providing access to health care and health improvement for our community. And maintaining proper health allows people to continue to work and avoid crippling hospital bills. As you all know, central health is in the process of redeveloping its Brackenridge campus for the purpose of continuing to help fund health care service delivery and because the revenue that will be generated by this development is so critical to central health's continued funding of health care services for low-income

[12:14:02 PM]

people, we're actively investigating funding tools that are associated with this Brackenridge redevelopment, including the possibility of a tif. After reviewing the proposed resolution, we have some concerns that, as proposed, the resolution may create a barrier in the future to the establishment of one of these financing tools on our property. And this also might limit the tools that are available to the future capital city innovation zone. It appears that it wasn't the committee's or the council's intent to create a barrier. We respectfully request that you consider adding language to the resolution itself that will clarify that this is not the intent. And if council decides to move forward with this resolution, central health would like to be part of this discussion because we have concerns that this language will limit our ability to establish a tif or other -- or other tools because they would only be able to be done during the council's annual -- we're concerned they'd only be able to be done during the council's annual budget cycle. [Buzzer sounding] >> Casar: Mayor pro tem. >> Tovo: Thanks for raising those. I believe that we're in good shape on both of those points but I will confirm that with our financial and our legal staff. And you're correct, I mean, we really can alter some of those things at any point during the year. I think that some of the language central health suggest body make cha clear but we definitely approve it on an annual budget and that's why that language was in there and I'd be happy to get back to you on that. It is scheduled for council on the ninth. >> Thank you. >> Casar: Thank you. Next is Joyce bachiano.

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Followed by Julie Montgomery. >> Good morning or maybe it's afternoon already. I signed in as neutral because I do like affordable housing, but I'm concerned that this initiative is not going to do that for us. This initiative raises many questions. Please explain how we are going to, quote, change or eliminate rules in our land development code that forces homeowners and renters -- and that's pretty strong language "Forces" to pay for large pieces of land and large homes to live in certain neighborhoods, closed quote, without controlling the real estate market and using rent control. How do you guarantee that the lower cost for the lot and the building materials translates to a lower price for the builder and not a higher -- for the buyer rather and not a higher profit for the builder. The small lot amnesty tool has been used to construct large expensive homes on small lots. I don't see anything in this initiative that

would remedy that situation. We need a commitment from the development community to build affordable housing and so far we haven't seen that. As a start in that direction, we could charge linkage fees for all permits that would be commercial and residential. This would raise millions of dollars for affordable housing and even could be spent on some of the infrastructure we're going to have to build to accommodate increased density. It takes lots of money to build affordable housing. Especially the below-market variety that the poor -- working poor will need. Let's put all of these options on the table. We need more information, background information, on this initiative. Where are the deed restrictions that exclude renters? How long you override deed restrictions and other private

[12:18:06 PM]

covenants? I see one reference to stakeholders. But no definition of the word and as a matter of fact there's a lot of definitions that you need to include in this document so people can understand what the intent of it is. You need to include neighbors, neighborhood associations, et cetera, as stakeholders in this entire process. Would this committee consider a pilot project for this initiative? Let's say in councilmember Casar's district 4 where there's adequate public transportation? This will demonstrate what the city will look like if these regulations are adopted. We had discussion already on codenext. What we really do need to see is the code. We haven't seen the code and the neighbors are agitating to see it, at least in my neighborhood they are. I understand we made that apparent to councilmember Gallo's office. This is the neighborhood and planning committee, and I see where you're considering directing the city manager to do things. You would direct the city manager to release codenext even if it's in terrible condition? We don't care. We'd still like to have an idea of what the city will look like after a new code is adopted. Thank you very much. [Buzzer sounding] >> Casar: Thank you. I will note that that the idea of affordable housing fees is included as one of the recommendations here. And of course as far as deed restricted neighborhoods go, that disallow rentals, I think that's something that the city manager can put that report together. I know that we have certainly received emails from groups detailing such during the accessory dwelling units discussion. Ms. Montgomery. >> Good afternoon. My name is Julie Montgomery. I am a member of ora. As you all may know, our Moto is an Austin for everyone. We support policies that preserve and build an

[12:20:07 PM]

inclusive Austin and to keep Austin inclusive and minimize displacement we must keep Austin affordable, not just in certain parts of town but all neighborhoods. These fair housing items before you today seem like a great way to achieve abundant housing, greater affordability and economic inclusion citywide. We do encourage you to be proactive on these items. Our neighbors are being displaced every day. It's neither right nor just to wait until codenext to start moving on these things to address our housing crisis. We need help now. I wanted to take a few minutes just to add sort of a personal story of this package. I personally feel the most strongly about enabling smaller housing in high-opportunity yours because that was kind of my story. My -- I grew up in Austin, the daughter of a single mom, and she was working and going to school and raising me all at the same time and so things were pretty tight. You know, financially. But she was able to find a small, inexpensive duplex in northwest Austin and in turn I was able to attend excellent public schools, do being one of them, and enjoy all the other benefits of growing up in a high-opportunity area. But that was the '80s and in the -- the demand for housing has skyrocketed in the last 30 years in Austin and I doubt that today a mom and her daughter in the exact same financial position and familial status we were in then would be able to afford that small unit that -- by the great schools. And I don't think that's the Austin that we want and I don't know but I doubt that's an Austin that even comply with fair housing laws. But fortunately this package of initiatives

would help us move us back in the right direction, and I hope you will all support it to ensure that Austin becomes a more integrated and inclusive place for people of all backgrounds. So thank you.

[12:22:11 PM]

>> Casar: Thank you. Mary ingall is next followed by Sammy Easterday. >> Good afternoon. My name is Mary ingall and I'm the president of the Austin neighborhoods council. We represent about 350,000 people in Austin. We're a member representative organization. This item is a wild salad of ingredients, and I hope we can examine all of the ingredients because there are some additional things that we can do for affordable housing. First of all, density does not yield affordability. It's just increasing density does not do that. That's a false argument. It's how we create density and responsible growth. So just making lots smaller doesn't guarantee that we'll get smaller affordable housing either. We do need to overhaul the density bonus program because it's not yielding the volume of affordable units that we need. I'm in agreement with that. But it's not the only thing we can do. The real core of this problem is that there is no commitment from the investor community for affordable housing. So far the past reveals that there is a lack of commitment, and we have to have that commitment in order to have affordable housing. Period. There are some other things that we can do. There are informal conversations about linkage fees on all permits pulled in the city. A small amount of money from every permit to go for an automatic pot of money for affordable housing. You could establish an independent trust to look at projects with smaller people like Bo [indiscernible] With the black land housing

[12:24:11 PM]

corporation so they can do -- hoard up affordable housing projects. We also have missed opportunities. Last night I was at the historic landmark commission until midnight. It's ironic that we're demolishing all of these perfectly good small, older homes that could be moved and saved and rehabbed, reused, but we're not. And we have an affordability crisis. So I think that the city council is missing an opportunity of something they can use today. We should -- this is my idea, it's probably goofy but we could set aside some land. We could move these houses there, create cottage courts. They could be rehand and sold to the people who helped rehab them and it would be affordable housing. A \$30,000 house is a good price. And the city could hold this land in perpetuity. So we are missing opportunities there, and I'm hoping that we can look at this. Our older housing stock is our most affordable housing. There are aging apartment buildings that we could be buying with a trust fund if we had it from linkage fees. So these are just some other options that we need to -- [buzzer sounding] -- Look at. Thank you. >> Casar: Thank you. >> Hello, my name is sample any Easterday. I live in a built-out neighborhood. We have 206 single family residences, two condominium developments and over a thousand apartments plus 84plexs. Our neighborhood would be totally dense mated if we

[12:26:13 PM]

tried to put in adus in our properties. And reducing the size of the property where you could put an Adu all over the city, irregardless of what's already there and the people that are living there who are citizens and tax-paying citizens is not a good idea. There's places for ads, places that have alleys or place that's are new developments that might accommodate this but in our particular residential area, which has been culturally diverse since the 1970s and is a treasure trove to live in adus would be a disaster. You would be demolishing those affordable homes for people like us so that somebody could put in an Adu. Our property taxes go up because their property tax goes up when they have a rental unit and you're forcing more of us out of Austin. So I didn't have time to prepare because I didn't know I was even going

to -- that this issue was going to be taking place, and we had an opportunity to speak. I apologize for that. But you need to rethink this. You need to think of the options that have been already placed before you and not make a universal rule that works in some areas well and does not work in other areas and in fact destroys affordable housing for many of us. Thank you. >> Casar: Thank you. And our last speaker is David witworth. >> Good afternoon, councilmembers, and mayor pro tem tovo. My name is David Whitworth. I am involved with a number of organizations in town. One group that I think I could help bring into the fold in this conversation is the Austin infill builders group.

[12:28:13 PM]

It's a group of architects, real estate agents, builders, attorneys, everybody that it takes to bring housing to market. I like this package, combining the subsidy tools along with market tools. I think this is really an ingenious way to bring balance to our policy. Because in the past the things that do poorly are rezoning smaller lots, occupancy, generally things that allow the market to provide housing, which is where the real impact will be. The things that do well are historic preservation districts, fee waivers, smart housing, tax abatements and now directing future tax revenue away from the general fund. All these things have merit but I think that we really have to include the market tools into our initiatives to bring balance and to -- I think we all understand that an improved market rate via zoning will help the subsidized affordable housing organizations to bring their products to market. I did a market analysis of north central Austin east of mopac, not including the expensive west of mopac housing and deep into east Austin. The median home price was 497. The average home price is 588. Median means half is above, half is below but the reason the average is 588 is because the half above are a lot more above and the half below are barely below. So our existing housing stock is not affordable, and really the way to bring affordability is through zoning entitlements. I can assure you that builders would be happy to be delivering housing in the 300s. I'm doing a product, and I think y'all remember the small

[12:30:13 PM]

lot housing was 40% below the very similar new housing on larger lots. It wasn't affordable but, you know, I'm doing the best I can, but my next product -- project -- actually, the one I'm building after that got shut down. I'm building a \$900,000 home in Allen daily, you get your perm, boom, you're ready to go. I'm doing a resubdivision in brentwood where I'll be offering housing in the three hundreds and four hundreds but I have to tell you it's a nine-month process, it's very difficult. I really think that if our zoning entitlements allowed by right things like triplexes and fourplexes, bungalow courts, whatever, that we could be getting more buy-in from builders to provide the lower market housing. In summary, there's really a place for all of these tools and I'm thrilled that this package is coming together from councilmember Casar and councilmember Renteria. Thank you very much. >> Casar: Thank you. And the clerk delivered to me a couple more names. I don't know if you're signed up to speak on this item or want to speak on a later one, maria [indiscernible] And Alejandro Guitierrez. On this item? Okay, so on the next one. Great. That's all of our speakers. Like I said, of course I am -- I'm supportive of all the stuff that I've laid out here of course but I'm happy to move forward with the portions of it that the committee sees fit to recommend to the council and other parts that need more discussion we can always discuss them at the housing committee in June. If there are motions or questions, I'm happy to take those now. And right before we move through that, I want to get a temperature check on how much time the committee members have left for this meeting because we do have two items up after this. Are folks able to stay for

[12:32:17 PM]

another 45 minutes? >> Gallo: 30 minutes for me. >> Casar: We'll try to move swiftly then. Are there recommendations on any particular ones or all of them in general? >> Renteria: I'd just -- since we're going to be taking up the city housing trust fund in June, I believe ninth, our next council meeting, but what I want to say is that, you know, presently we had a \$65 million housing bond that we spent \$10 million every year and that is -- that's general fund money. So what basically we're trying to do also is not rely on the citizens of Austin every five or six years, six years, and ask them for more money for bonds so that we can finance our affordable housing. And the housing trust fund is a very good resource to doing it. I don't see ourselves, even by including all the non-government properties and that gets sold and put in the market as ever reaching that amount any time soon of \$10 million. So -- a year. So, you know, this is the way I look at it, that if we could put as much as we can in this housing trust fund and when that -- that bond money that we have expires, then we have a source here and use the bond to catch up to keep the \$10 million investment that we have every year. So that's the way I look at the -- at the city of Austin housing trust fund. >> Casar: And I'd be ready to recommend that provision as

[12:34:17 PM]

well, but, Mr. Van eenoo, do you have Numbers for us on this particular item? On how much money we can expect in the first year or in coming years? I imagine it's harder on the county and state-owned lands than on our own and I appreciate the analysis y'all did on our own land but -- >> We still don't have an analysis. We have data from tcad we're still working through. We don't have data from Williamson cad, which would be a much smaller portion. But, you know, the only thing that data is going to tell us are the properties that are over whatever period you land on, state or county-owned properties that would now be included in the calculation. What it doesn't tell us is what will ultimately be developed on those properties. It doesn't tell us what properties in the future will be sold. You know, so I don't think there's really ever going to be a way that we're going to be able to say definitively if we were able to change the trust fund calculation to include all lands, how much additional money would flow into it. We've done work in the past in regards to the city-owned properties that we know of like the W hotel and sea homes, some of those big value properties we can project out the development time frame, the absorption schedules, valuation schedules and we've done some calculations about how those properties will translate into additional housing trust fund dollars in the future. But I don't think we're ever going really be able to have that data in regards to what state-owned properties will still sell in the future, when and what will get built on them. >> Casar: Given particular plans the county or state can be on our own properties you were able to map out, based on the ones developed on county and state, given the expected county development, for example, of the north campus or the expected development at the grove, for example, there may be something that we can get from that, I would imagine. >> Right. We talked about bull creek site I think was specifically mentioned in councilmember

[12:36:18 PM]

tovo's resolution. So we know the value of that site. It's now no longer -- it's on the tax rolls. We have the value of it. But I don't have a development plan for it. I don't know exactly, you know, what's planned to be built when and what the values won. Somebody out there might, and we could take that information and run estimates on it. >> Casar: Okay. >> Gallo: And speaking of the grove property, I think when the paper reported on that with the current value, it was about \$400,000 of tax revenues that would be shifted from the general fund into this affordable housing fund. But if the projected development is closer to 500 million, that that's, I think, \$2.25 million that would be shifted from the general fund, out of the general fund into an affordable housing fund and that's just that one property.

Do you have -- you know, I know when we were talking about taking the four or five properties that were already at 40 percent transfer and bumping those to 100%, there was a chart prepared that showed the impact over the next four or five years and the total amounts. Do you remember what those total amounts were on that? Because it seemed like it was at the end of five years 20 million. >> Casar: I recall it was about a \$50 million bump so I think it was about \$70 million or so over the course of ten years. That may have been combined with the hpdt rit. We enacted but I believe it was 70 million over the course of ten years so it would in some ways be its own mini affordable housing bond. >> Gallo: Replacing the current bond that councilmember Renteria was talking about. >> I think even that analysis was based upon existing properties, properties we know are contributing to the housing trust fund and what 100% looked like as opposed to 40%, what we still don't know is what properties might get sold in the future and what might get built on those. >> Gallo: So the comment that Pio made about not affecting taxpayers if we could do this

[12:38:18 PM]

transfer, that could potentially be a net effect, but the other net effect could be that as we have -- as we continue to have increased needs and other -- in other areas and other deterrents as I mentioned, like parks and libraries and health and human services needs, that if we don't have left in the general fund enough money to address those needs, then that would cause tax increases to taxpayers. So there is a potential that that could happen if we're taking a lot of money out of the general fund to fund this particular thing. I mean, I'm a big proponent of affordable housing. I just want us to make sure we always view everything in a very balanced approach and we don't tie the hands of future councils to being able to address the balance in serving all the needs of the community. >> Casar: I'm ready to support recommending it out and will just get more information as we go. I think as mayor pro tem tovo clarified, this really is something that we have discretion over every year in the budget, and if we -- to address central health's concern, if the council passed an ordinance like a tif directing the money otherwise it would clearly overrule any resolution that we pass. But you didn't have your mic on. >> Tovo: I just have a question about another item. I guess our -- well, jumping down to -- there's a comment -- where is it? It's under smaller housing and high opportunity areas. And it talks about deed restrictions that exclude renters or those who cannot pay for large pieces of property. Are we actually -- I think we have asked a question about that, but I'm not sure that we've gotten an answer back. Are there actually deed restrictions you mow of in areas of town -- know of in areas of town that exclude renters? >> Casar: Yes, I have at least one email from the Adu discussion that existed and Dr. Liz Mueller on the code

[12:40:19 PM]

advisory group along with other groups says in many new subdivisions that she knows of that that is oftentimes standard practice. >> Tovo: Are those legally enforceable? Do we know? >> Casar: I don't know. So at her and other fair housing advocates' requests, I wanted to investigate that portion further. >> Tovo: All right, thanks. And under the first bullet in smaller housing -- and I guess if we're going to -- if -- it's not clear to me whether the action is going to happen at housing or here. And if there is happening here -- if there is action happening here I have suggested amendments to offer to some of the language though in the main I think based on the conversation we had earlier, I think as long as there -- if there are specific proposals coming forward, there won't an attempt to wait for reports back to take action on those, then I'm very comfortable with most everything in here. So, for example, I mentioned before the publicly owned land, you know, I would suggest changing that to direct the city manager to provide further recommendations on how to develop. I think that would net us some additional information.

And my concern is I don't want it to prevent us from say moving ahead on the winnebago tract which I'm extremely eager to do so. >> Casar: That's clearly not the intent. >> Tovo: [Indiscernible] Waiting for this report back before we take action on individual initiatives that are ready to go, I'm comfortable with, again, just about everything in here with some language adjustments here and there which I'm prepared to share or can put on the message board or whatever you think is the appropriate time. >> Casar: Well, I would see what the rest of the -- how the rest of the group feels. We're short on time but if your amendments are small potentially we can just vote -- >> Tovo: I think they're probably small. >> Casar: Vote this out now. But if it's going to take some time maybe we pick the low-hanging fruit and leave the rest for the housing committee. >> Tovo: Shall I post it and we can evaluate that?

[12:42:19 PM]

>> Casar: Yeah. >> Tovo: Okay. You can start talking about one of them is. >> Casar: Great. >> Tovo: There was a bullet, I think probably the only matter of some substance is one -- well, I'll talk about the language in a sec but under the second bullet under smaller housing -- no, I'm sorry, the first bullet. >> Casar: And, mayor pro tem, rather -- let's not -- I don't think we'd be passing the explanatory sections so let's just talk about amendments. >> Tovo: That's fine. I think in the explanatory section, I'm not at all comfortable with some of the language about excluding people from our community. I just think that language really goes too far. As long as we're not dealing with -- >> Casar: Let's not deal with it. >> Tovo: Then I'm okay with that. Under the second bullet I've eliminated language with the -- with -- to reflect the comments I made earlier, that I think it is a market analysis could be useful but I do not want to suggest that it would delay density bonus. >> Casar: We can decide any density bonus questions independently of this. >> Tovo: Great. I can't read my next point because it has the closed caption on it if you can scoot it up. The language we can skip. Under that first bullet I would suggest we change the language to direct the city manager to consider opportunities for income restricted smaller housing and smaller lot sizes. I don't love the way income restricted sounds in there but the point is I think that if we are considering tools -- if we are considering tools in the name of affordability, then I do think they should be income -- we should have a mechanism for enforcing they

[12:44:20 PM]

will be income restricted. But let me say on that point, that is I think a longer discussion because one of the reasons I've scratched prioritize it's not clear what we're prioritizing it over, but I think these discussions about smaller lot sizes need to be done in a much more comprehensive framework, where we're thinking about stormwater impacts of having more houses, where we're thinking about frankly affordable housing preservation. Because when you're incentivizing smaller lot construction you're often incentivizing the demolition of currently more affordable places and replacing it with much higher cost housing. It speaks to historic preservation goals. So I have -- let me say that point I think I have some concern about and would like more discussion around. >> Casar: Lay out the next few and we can get back to which ones -- >> Tovo: Deed restrictions I think we've answered that question. Let me say if we are going to suggest that city manager amend the growth concept map I think we will significantly delay codenext because that was such a point of discussion last time I'm not at all comfortable issuing direction to potentially amend the growth concept map. I think that blows up the codenext process. On page 2. >> Casar: Flip it. >> Tovo: Please further recommendations we talked about. The other one I scratched by accident. That's why it says -- okay. The second half, please. And then we talked about this earlier. I would suggest we does the city manager, which it sounds like was your intent, to provide a report with recommendations rather than initiating changes. >> Casar: Can I -- >> Tovo: Again, I think the option of renting and selling is an interesting one to consider. I think, though, it is -- you know, it will

require significant discussion. So I wouldn't want to initiative a code change at this point.

[12:46:21 PM]

>> Casar: Can I respond briefly to each? >> Tovo: Yes. >> Casar: So I think that what you put on the first page around the real estate market analysis is fine. >> Tovo: And we have that page. >> Casar: Leaves those options open so we'll flip it back to the front side. I think that is totally fine. Is there -- the income restricted section, I think that it's important for us to consider the income restricted options but also the non-income restricted options options so we may disagree there and V to hold until the housing committee. I think that even non-income restricted smaller housing is an important part of the equation because there are people that are getting -- I think there's a valid critique of adding additional housing supply as a method of easing rents because people say oftentimes the rents are eased in the least desirable areas, quote-unquote, of town but that includes many of my constituents and many people across this city who are in the lowest rent parts of town where market pressures are pushing them out and the adequate housing supply, be it income restricted or not is an important part of protecting people from that displacement so I would be supportive of income restricted and non-income restricted but otherwise we probably have to take a vote on that. >> Tovo: Maybe we can just vote on each. >> Casar: Sure. And then, finally, I think that I would like -- I think we agreed on everything except for here and stay in place. I don't see there being any -- we could initiative this -- I believe initiating the code amendment on stay in place would tang lots of time and stakeholder meetings may elongate the process to get the report and initiative the coat amendment because I think we really want to get the community involved in that process. So I think we would need a report on funding mechanisms and other tools but

[12:48:21 PM]

initiating a code amendment with this intent is part of what I meant to do. >> Tovo: Okay. So you are actually initiating a coat amendment. >> Casar: Like I said the three places we would be initiating coat amendments here would be -- sorry, the two places where we'd be initiating coat amendments here like I stated earlier is on the nondiscrimination based on source of income and on stay in place. >> Tovo: That is outside of the codenext process and independent. >> Casar: Both our staff assured me were not explicitly within codenext so they'd be separate coat amendments. >> Tovo: Maybe we can vote on that separately as well. >> Casar: Sure. Do we want to vote on each? Why don't we just go through them rapid style. So the first one is directing the manager to meet with stakeholder -- do we want to hold on the inclusionery -- mandatory inclusionery zoning or vote on it? We'll vote it out. Okay. So the first -- chair Renteria, would you like to wait on mandatory cluesery zoning on committee incluesnary -- >> Renteria: I would love to. >> Casar: If we want we can wait until your committee. >> Renteria: Great. >> Casar: Because I know you've worked on these a long time. >> Renteria: Sure. >> Casar: As has councilmember kitchen so we'll wait on that one. Directing the city manager to conduct the comprehensive real estate market analysis as mend mend -- amended by mayor pro tem. Would somebody like to move -- >> Gallo: Can we keep her -- >> Tovo: If you want to wait on all of these for housing, that's fine too. You're all on the same committee. I was suggesting, chair, if you want to wait, you're all on the housing committee too. >> Casar: The three of us. >> Tovo: And I've talked a lot about my points. So in the interest of time -- >> Casar: I think in the interest of time then this one might be important for us to vote on because we did receive the presentation from staff on

[12:50:22 PM]

this. So if we're comfortable at least recommending this because we have the presentation on it today, I think that would be important if there's a motion. >> [Off mic] >> Casar: Yes, we can pass it as edited on the screen here. >> Gallo: So were you accepting her amendments? >> Casar: Yes, I think eye -- I haven't made the motion so if somebody makes the motion with her amendments, that would be good. Mayor pro tem, would you move it? >> Tovo: Sure. I move approval. >> Casar: You second it? >> Renteria: I'll second it. >> Casar: Moved by mayor pro tem as listed here on the screen and seconded by councilmember Renteria. All in favor? And I think that goes unanimously. I also think that given that this is really -- this is something that was also in the staff presentation to recommend to the council to initiate this code amendment based on source of income is something we can quickly dispose of. Is there a motion to do so? >> Tovo: I'm happy to. I would just -- I have a question mark there because I wondered if it was already included in smart housing but I assume they'll sort that out as they're working through it. >> Gallo: I think -- where is staff? I thought there was a concern that there wasn't a concern with the legality and it's not density bonus but there might be on the smart housing. Did I -- >> Casar: Those are both voluntary programs, right? >> Gallo: For some reason smart housing there was something said about smart housing. >> Neighborhood housing. What is the question? >> Gallo:. >> Casar: Is there any legal statutory preclusion, something keeping us from including nondiscrimination based on source of income in the smart housing program along about the density bonus programs? >> I do not believe so but we will double-check with law. >> Casar: Great. Of course ones it's recommended on the council's agenda law takes it a little more seriously. >> Gallo: The question I may -- we certainly had the legal question but the question I have is the smart housing is a voluntary program to begin with. Are we implying that the only

[12:52:22 PM]

way to participate in the smart housing is if you agree to do source of income? Are we thinking -- you know, is this adding a voluntary participation and source of income when you volunteer to do the smart housing. >> Casar: That's correct. >> Gallo: So I needed some clarification on that because I don't think that's clear. So are we saying here that if you choose, as -- in a voluntary way to participate in smart housing, then part of that is that you have to agree to require the source of income? Are we saying that you can choose to participate in smart housing and then you can make a second choice of whether or not to -- >> Casar: One choice. >> Gallo: So it advertise the option to participate in smart housing -- it ties the option as also a requirement to participate and require source of income? >> Casar: That's right. >> Gallo: Okay. I mean, that's a big change to that program. And that -- okay. >> Casar: This would be initiating the code amendment but not making it law. I think that was already moved and seconded or -- >> Tovo: I think so, yeah. >> Casar: All right. All in favor? Those opposed? So that passes 3-1 with councilmember Gallo opposed. And I think that you -- we probably want the positive recommendation now on the state and county-owned land, mayor pro tem? >> Tovo: Sure. So it's -- >> Casar: You're good with that? >> Tovo: It makes no difference to me. Councilmember Renteria might care one way or the other. >> Renteria: I mean, we are going to take it up in June 9 so I don't see why we really need to take action on it. >> Casar: Okay. Then we don't have to. I think we're all in our own place on that. The last one I would ask for a vote on is the stay in place code amendment so it could be on the June 9 council agenda without pushing that back any

[12:54:23 PM]

further. >> Renteria: I'll move that. >> Casar: That's moved by councilmember Renteria. Is there a second? >> Gallo: Are we voting on it with mayor pro tem's amendments to it? >> Casar: It would be -- I asked him to move the language as it's in backup, the standard language, which would have the city

manager provide a report on what about it is that we can do but also to initiate the code amendments so the community can have a conversation about helping these low-income homeowners stay in place. You second it? >> Gallo: No. >> Casar: No. >> Gallo: Sorry. >> Casar: Am I allowed to second it. >> Gallo: I'm just trying to clarify. >> Casar: I can never remember if I can second things or not. Are there -- could I answer any of your questions to get a second? For either of you? >> Gallo: I think one concern that I have is that we have the clause spending programs and I think initiating a code change that funds programs I'd like to -- I'd like to really be able to see -- I agree with mayor pro tem tovo. I'd really like to see a report that talks about the possible tools that Bev and then allow us to discuss that -- we have and then allow us to discuss that before we talk about moving it to a code amendment. This seems very broad. I'm concerned about what's included in it that automatically would get put in a code amendment. So I -- >> Casar: What I would try to clarify on that, is that we would -- the code amendments and the programs are separate. Code amendments would be -- any code amendments that we could put on the table that would give low-income homeowners the ability with their own property to maximize their asset generating income and stay in their neighborhood. Programs that would be funded

[12:56:25 PM]

to help people would be -- as a sort of separate section, and that would be what there would be a report for. But if there isn't significant support for initiating the coat amendment yet maybe I'll hold off until the housing committee and see if more discussion will help. >> Renteria: Just to let our housing committee meeting is June 6. >> Casar: Okay. Like the stay in place options. I think funding options are really important and I would support the city looking at those. I think the kind of efforts that we talked about earlier are important. I am not supportive of initiating a code amendment that I simply think is not fully formed. I'm not sure how that would work. I don't know how it would interact with existing zoning. I believe it would create -- create some situations where the zoning is out of conformance even though you're creating complying properties. I think it needs more discussion before we initiate a code amendment. Sometimes I think it's appropriate to initiate code amendments. Sometimes I think it's such a new idea that it needs a little discussion before it's initiated or we're spending a lot of staff and commission time exploring something that needs to be more fully fleshed out and to me this falls into that category. >> Casar: I'll take that into consideration between now and the housing committee. So thank you. There's still a lot more for us to talk about at housing committee, including the things that most folks here were interested in, like prioritizing those high opportunity areas in codenext, the affordable housing fees and mandatory inclusionary zoning, but we'll take those up. Councilmember Renteria brought up the mandatory inclusionary zoning waiting until housing, if we would like to vote on any of the other two we can, but we're kind of short on time and I think that there's still

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another couple of items on the agenda, one which has action, possible action attached to it. >> Tovo: I don't serve on the housing committee and I don't know that I will be able to attend. So I want to say that I think the other opportunities for increasing funding for housing are really good and I appreciate you bringing them forward and I hope they pass the housing committee, and those include the linkage fees and some of the other items you've identified. >> Casar: Okay. Thank you. Thank you, everybody for coming and hopefully this is the Saturday start of a longer process. Do you all both have to leave right at 1:00? >> Tovo: I can stay a few more minutes. I apologize. I have another committee beginning at 2:00, so I can't stay much longer. >> Casar: I would ask that we work very quickly on choosing whether we're going to provide a recommendation or not on the item posted by councilmember Renteria and I on

requiring community benefits for expedited permit review. Let me see how many speakers we have and what that would take. That is item number 5. We have three speakers signed up, David king, Mary ingall and beau Delp. Considering you're all signed up for and would like to see action on the item, I'm happy for you to testify, but also you might want to shorten your testimony or decline to testify if you want to see a vote today. Mary says no. What about you, Mr. King? >> [Inaudible]. >> Casar: Okay. Come give us your couple of points. Mr. Delp? >> [Inaudible]. >> Thank you, chair and councilmembers. My name is David king and I live in the zilker neighborhood and I appreciate your action on the last item. I think we need to use all of the above strategies and thank you for working so hard in looking at every tool that we can possibly use. This is another one of those tools and I think it's important that we target

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this for those projects that are going to help us with affordable housing. If we're going to expedite the permitting process then I think we should look at the permits for remodeling houses that are -- for low income families and apartment complexes for low income families. So I think that would be helpful so that we can help those affordable housing options to continue to exist in our city. And, you know, I was at the housing committee meeting yesterday and I heard from the staff that they're shorthanded in terms of being able to look at these affordable housing programs and density bonus programs and keep up with all of them. And they've got no more staff to help go and monitor those programs. So I would ask that we look at a permit, affordable housing monitoring fee for that other program -- for the density bonus programs to help ensure that there's a sufficient staff to make sure that those programs are doing what they're supposed to be doing. That those homes are occupied by low income families. That meet the requirements for the programs. And that the developers are producing those low income units. And, you know, this expedited permit should not be allowed for those projects that are going to use a fee-in-lieu. I think they should be not allowed to use an expedited apartment process. And those projects that are developed for families, two and three bedroom units, they should have priority so that we can be sure that we're targeting families. And particularly those in the high opportunity neighborhoods. I think we should really tailor this and say if you're going to build in the high opportunity neighborhood for low income families with children, then you get to go to the top of the list. You get an expedited process. To me that's sending a strong signal that that's a priority for us. And I want to see that in my own neighborhood. I want to see more families with children moving into my own neighborhood. And the other thing I would

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be careful is I hope we're not going to use this for any other purpose, this expedited process for regular rezoning or upzoning cases. And I think we should look at the minimum affordability requirements to all of the density bonus programs for 25% of the total square feet for the development for all of our density bonus programs, a minimum 25%. For families. Thank you very much. >> Casar: And since the mayor pro tem has unfortunately had to leave, I think my former offer of getting this to a vote quickly is off the table. So Ms. Ingall, would you like to speak into the record? Don't apologize. >> Mary ingall, president ever the Austin neighborhoods council. The one thing about expedited permits is I would request there be no variances. If the permits need variances then they need to be treated like all other permits and there may be circumstances for expediting permits not just for affordable housing purposes but for other things. And I'll keep it sort of vague. Thank you. >> Casar: Okay. But you're generally supportive of community benefits being required here. Good. Mr. Delp? >> Hey. I'd like to get this into the record quickly and also Alejandro and maria were signed up for four. I don't know if one of them or both of them could get something into the record about our support. I'm with the workers project. We arrived

at this because about a year ago now the Zucker report came out and said that expedited permit review was a necessary tool that the planning and development department at the city of Austin would need to take advantage of in

[1:04:31 PM]

order to reform the permitting process. Our position at workers defense project was that the city of Austin should do more to ensure that businesses who want to do the right thing for the community, that want to produce affordable housing, that want to make sure that workers are protected are reward the. So we said about a year ago that we would like to see some minimum requirements to get access to that expedited permit review, namely that they commit to pretty common sense construction, wage and living standards, including a living wage, osha 10 training, worker's compensation, a local hiring goal and independent monitoring for all construction workers. We are excited about the prospect that this policy could be an additional tool to incentivize affordable housing which also affects our membership at workers defense project as a 501(c)3 fighting for low income workers. We believe that the people who work hard for our city should be able to live here. If this policy is done right it can be a way to allow developers who want to do the right thing, to get incentives because of it. So we're absolutely supportive of these community benefits. I know we ran out of time, but I want to put into the record that it isn't just workers defense project who is asking for better builder standards. It's also Austin interfaith, the equal justice center, the laborers international, the Austin democrats, the Austin democratic party and the central labor council have all asked the city of Austin and other public institutions to commit to the better builder program and incentivize it where possible. Now, we know that what pdrd has told us is that this is going to move forward without community benefits, but that they were open to having it put in front of committee or council if we wanted to get community benefits. And that's how we arrived at this point to where we are today. So we are absolutely not supportive of developers who already have a lot of money to pay more money to make more money. There should absolutely be

[1:06:31 PM]

community benefits and we hope that this committee and council will consider that. Thank you. >> Casar: Thank you. [Applause]. Maria lukey. >> [Speaking in Spanish]. >> Good afternoon, my name is maria and I'm here representing Milos Felipe Ortega. [Speaking in Spanish]. >> My husband is a construction worker and he's worked in construction for 19 years. For me when my husband goes to work I am constantly worried because I know that working in construction is a very heavy duty job. [Speaking in Spanish]. >> My husband has worked on several projects around the Austin area. He worked on the Hilton hotel, the AT&T center and the UT psychology building. [Speaking in Spanish].

[1:08:32 PM]

>> My husband also works in residential construction and he has seen several injuries happen while working in construction, and in fact my husband has also been injured, and for us that has been a huge strain as well. [Speaking in Spanish]. >> It's important to me that better builder standards are included this this. It would not only save my husband's life, but the life of many other construction workers. It's important that the city council protect our Texas workers, especially I've seen my husband come home with cuts on his hands and all these different injuries, and a developer or contractor might not care if he gets home at the end of the day, but we believe that city council would. [Speaking in Spanish]. [Buzzer sounds] >> For me better builder standards, the ones that I would like to highlight are osha 10 training.

That way a worker knows and is protected with his safety protection and training, and worker's comp that way. If anything happens on the

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job they're protected. >> Casar: Thank you. Mr. Gutierrez? [Speaking in Spanish]. >> Good afternoon. My name is Alejandro Gutierrez. I am a member of the workers defense project and I am a construction worker and I'm here representing construction workers in Austin. [Speaking in Spanish]. >> For us the guarantee of protection and dignity at our work site includes that elected officials like you all, the folks that govern us, are interested in our safety and well-being. [Speaking in Spanish]. >> And for this reason we are here at city council to ask that you all include better builder standards in the expedited permit process and we ask specifically for independent on-site monitoring to ensure that these standards are upheld during the process. [Speaking in Spanish].

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>> A worker depends on his pay, weekly or biweekly, and his family is the base of his financial support and what needs to be grown. And when we are able to ensure a worker that he will get paid, we also are able to develop our communities and our economic community. And so we ask that city council ensure that better builder standards can be in process that all workers can benefit from. >> We are asking for those things not only because we need and deserve those benefits, but because it is our right as workers in Austin and this is the right and moral thing to do. Thank you. Thank you so much. >> Casar: Thank you. Gracias. Since the mayor pro tem has a meeting I'm checking to see if she can make it back for a vote otherwise we'll post it to the council agenda. Do you have any questions, councilmember? >> Renteria: No. >> Casar: Since the councilmember doesn't have any questions I'll put this on the table, and if the mayor pro tem can make it back then we'll have enough for a vote, but if she can't we'll have to move on. I will call up the last item that we have on the agenda, which is a staff briefing and invited testimony related to secondary dwellings. >> [Inaudible]. >> Casar: Then we'll get the staff presentation. Thanks for sticking it out here with us.

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>> Good afternoon, Ming Chu, planning and zoning. This is an update for planning activity for secondary permits, which is the r-102 permits. So since the ordinance took effect on November 30th of last year through may 13th of this year, which was about a week and a half ago, there have been 107 building permits. And they're displayed in those Orange dots on the map, which are a little bit hard to see. So the majority of the permits are active. A couple of them are pending. All but two of them are within a small area plan. And about 44 are on lots that are smaller than 7,000 square feet. And compared to the same time period last year, there were 55 building permits, same time period the year before that, 49, and the year before that 30. So there's been a doubling pretty much of the permit activity. And the small area plans with the most permits, holly with 11, crestview with 10, chestnut 8 and so on. And then when you break it down by district, district 3 has 19 and district 1 have 18, so together about a third of the permits. District 7 has 10. And district 9 has 9. And that's the end of .>> Casar: Well, thanks so much for bringing that forward. And please do keep us updated on how you think

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the new code amendments are going and if there's any changes that the city staff recommends moving

forward. But it sounds like we are getting a significantly more -- >> Quite a few more. >> Casar: Get a few more getting built. Do you know how many of those are utilizing the option for no parking because they're close enough to a bus line? >> I didn't look at that specifically. I think that there are probably quite a few that have -- that are not required to have a space. And then the rest, you know, just have the one space. >> Casar: That would be helpful to find out at some point moving forward, but thank you for the research you've done. >> Sure. >> Casar: Councilmember, do you have any questions? Okay. Do you want to talk about any future agenda items or would you rather just close the meeting? >> Renteria: Close the meeting. >> Casar: Okay. Then without objection, I will close today's planning and neighborhoods committee. I intend to just bring a resolution forward on the community benefits and expedited permitting since we weren't able to get a vote today, and I appreciate everybody's attention and participation. [Adjourned].