

City Council Work Session Meeting Transcript – 5/9/2017

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>> Mayor Adler: I'm going to go ahead and convene our work session. May is may 9th, 2017. It is 9:20. We're in the boards and commission room here at city hall. I had put on the agenda some -- we have on our agenda the opportunity to have a legislative briefing, in part because we just didn't know when we were posting it whether we would need to have something come back to us right now. It does not look like there's anything to come back to us. Bree has annexation bills, which are being brought out, so I think we let bree go back to do that. We do have on the executive session the discussion on muni as kind of a real estate deal, and mostly that is for Alice and me to report back to the rest of the council so that you know the nature of that. We have one -- we have today the codenext consultants are coming to talk to us. They had a uil matter this morning. They're going to be coming over as soon as they're done with that, and when they come in, I want to plug them in. I want them to address some of the affordability issues that were raised last night and also to answer questions. >> Mayor? >> Mayor Adler: Yes. >> Excuse me. Did you mean university interscholastic league for codenext? >> Mayor Adler: Yes. >> Okay, that's interesting that they would be -- >> Mayor Adler: I'm not sure which. It's the urban land institute. >> Oh, see. That's why it's good not to use acronyms. >> Mayor Adler: Sorry about that. [Laughter] >> Mayor Adler: And I'm usually so good at this. But then I get names wrong, too.

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And then we have a briefing today on the pay equity issues. Let's see how much of the deck we can clear. We have two briefings, the parks and recreation department, the pay issue, and we have one item that's been pulled. You want to do your pulled item so staff can leave on that one? >> I can certainly try. >> I'm just trying to drill down into the overtime. I understand conceptually what this item is. When the staffing levels that we're maintaining through this overtime are those exactly the same staffing levels that were set out in that 2007 resolution? >> Staff, Austin fire department. As of 2007, they're not

exactly the same as 2007. They are consistent with 2013 when we got the safer grant to achieve full -- so it's a combination of the 2007 council resolution and the safer grant that allowed us to fully staff four persons on ladder companies, and rescue units. >> Flannigan: And the safer grants, that was 2013? >> 2013. >> Flannigan: How long did those grants last? >> It's about a three-year cycle, and then the city has been fully funding the positions out of city budget. >> Flannigan: Do you know off the top of your head what the overtime requirements would be if we were staffing at the resolution level and not the safer grant levels? >> I do not know. I know that it would be 33 positions. >> Flannigan: 33 positions? That's a lot of positions. I mean, almost -- it's a significant portion of what our

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total unfilled positions -- I mean, if we were staffing in 2007, our unfilled positions would drop by 33? >> That's correct. >> Flannigan: Right. Okay. Thank you. >> Mayor Adler: And I think we have a discussion next Wednesday, a deep dive related to budget issues as they might intersect the contract. That will also be a place to air and to ask questions about that issue. >> Flannigan: And I think the other question, which I don't know how my colleagues feel about it, but I think there's also cost savings that could be achieved in this budget cycle, if we were staffing up to 2007 levels. I mean, we could immediately decide to staff at that level because we don't have to fire any firefighters. We have so many vacancies. If we were staffing at the level we agreed to in 2007, there might be considerable cost savings over what we're about to approve on Thursday. That's why I bring it up today. >> Mayor Adler: Understand. >> Is there a reason that we need to vote on that this week before we have the information from them next week? If next week's information on our budget is relevant for voting on this item. >> It can be postponed if you'd like, until you have all of the information. >> Go ahead. >> I think since this week's an abbreviated meeting, it might be a good idea to postpone it to when we're having a full council meeting. I would hate to take a short meeting and make it a long meeting unnecessarily. >> Yeah, I would also like time to review the material that was promised on the contracting as well. >> Mayor Adler: My sense is that if we're going to make a different policy decision with respect to staffing, to undo what the council did in 2013, that would be a much longer and

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broader conversation with a lot of notice for a lot of people to be able to come back and weigh in. So my sense is -- auf to think about it. My sense is, I'm not sure how manageable a piece that is for this budget year, just because it's such a big, basic policy question. But certainly it is a question that we've Teed up past that issue. >> Flannigan: For me, I'm willing to vote no on it if everyone else doesn't want to have this discussion now, but I won't vote yes until we have this discussion. But I might be the only one. >>

Mayor Adler: Okay. All right. So we'll go on to the next item. Thank you. Did you want to say something, mayor pro tem? >> Tovo: I guess I would want to understand whether the postponement is going to change our need for the transfer to cover the overtime funds. I mean, it seems like that's going to be an ongoing need regardless of whether we take it up this Thursday or next Thursday. >> Mayor Adler: That's correct. Even if we made some kind of policy change, there would be a delayed effect in having to change all of our policies, our operating procedures, because we have four-person staffing. So we've developed our response protocols to that. So the cost saving, I'm not sure how much, but our projections based on the cye for the current year, for our overage. >> Tovo: Cye? >> I'm sorry, per year estimate. I'm sorry about that. Yes, that's how much we're projected to be over budget. >> Tovo: Okay, thanks. >> Mayor Adler: Ms. Houston. >> Houston: Assistant chief, thank you for being here. But it sounds like we're going

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to continue pattern. We might need to look at policy changes about five person versus four person. I know everybody has a different opinion about that, but it doesn't seem like we're ever going to get to the point where we have the kind of budget that we need for the overtime, or the kind of staffing levels that we need to staff the overtime. >> Council member, I would disagree with that, in that our challenge has been in our ability to hire. In my career, this has not been historically a big issue for us, but it is currently. No doubt. We have a large number of vacancies that are unwieldy for us and we don't like the number of vacancies at all, and I do believe that through our hiring process, if we're more aggressive and we are able to come up with ways to hire, we can make the overtime shrink considerably, and we are riding this current hiring process hard, so if we get a number of people that we're eligible to hire, the department of justice blesses it, then we're going to aggressively hire and we believe we can dramatically impact the amount of overtime that we're being paid. You can see on the charts that we presented last time. In the past, we have dramatically had lower overtime. It's just been with the largest, unprecedented large number of overtime in vacancies that we are experiencing as a current situation. I don't think that you're going to see this forever. I absolutely do not. >> Houston: So last week, we talked about this. There were several options. We could increase the number of academies, we could increase the number of people in a class. Those didn't seem to be things that you wanted to do to be able to get boots on the ground. So if we're stuck to 45 and 45 a year, then that takes a long time to catch up. >> And, council member, there are ideals to any kind of training environment. It's like public school teachers, they'd much rather be teaching 20 children than they

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would 35 in a class. But based on that conversation, we are actively looking at ways we can accelerate the number of personnel coming into the fire department. So we're looking and challenging all those assumptions about can we do more academies, can we do larger academies, and what will the impact of that be. So we're trying to balance all those factors right now. So we're working on that issue while we're sitting here, because we understand from the discussion before council, that this is a big issue for the city, and we want to do our part to help solve it, and we believe that some pushing on our side to get more people through faster is absolutely imperative to help solve this problem. Or this issue. >> Mayor Adler: Council member Garza. >> Garza: I don't know if this is a question for chief, but this 3.5 is to get us to September. >> To the end of the fiscal year, that's correct. >> Garza: And where is that money coming from? >> Good morning, council. Deputy chief financial officer. This money is coming from our reserves. It's all part of that policy wove to maintain our reserves, the goal at or about 12%. When we adopted the budget for fiscal year 2016, we were exactly at that 12%. By the time we get to our books actually being closed, given that we take a conservative posture on our revenues, we typically end the year a little bit better than what we had hoped for in our budget. That happened again this year, we ended the fiscal year 5.8 million ahead of where we thought we were going to be. In other words, with more money in our reserves than what we had forecast at the time of the budget. It's just that conservative posture, because we surely don't want to fall short of our projections. Coming for that 5.8 million.

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>> Garza: So this is not some money that would roll over next year to help us with the general fund? This would be in our reserve? This is not something that's going to affect somebody's tax rate in the next four months? >> Well, the reserves are a big part of how you go about crafting your budget each year, so this will be less money in the reserves, which means less money to pay for some of those one-time items in. The past, you use your one-time reserves to pay for Austin independent school district, quality of life initiatives, a variety of things. And so there's just less money for those types of things when we look at next year's budget. >> Garza: Okay. We pulled money out of the reserve to pay for a one-time fund? >> Up to that 12%. So we tried to keep our reserves at a minimum of 12%, just because that's good posture for our rating agencies and maintaining our aaa rating. But anything above 12%, we historically looked at that as being moneys that go towards funding one-time expenditures. Typically, ideally in my book, those are equipment, operating equipment, fire trucks, breathing apparatus that you need to operate a public safety department. But recently, we've been using them more to fund initiatives like funding for after school specialists, after school programs, parent support specialists, quality of life initiatives, but we've been doing those on a one-time basis, so you might remember from April 19th, I showed you that list of here's a bunch of programs that we've funded with one-time moneys in fiscal year '17, and some of the things I just said were on that list. So in other words, the fy-18 budget wouldn't have funding for those items unless council chose to continue the funding because you adopted them as one-time funding items from our reserves. >> Garza: Okay. I am not supportive of delaying this. I think if we want

to have the conversation about changing the policy, which I think is not safe for our firefighters, nor for our community, we can have that conversation, and we can move forward into the next

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budget season, but to make a decision that will affect the safety of our community and the safety of our firefighters, for this budget session, I don't think is the right move. I think we -- I'm supportive of approving this, and moving on to the policy discussion that needs to be had going forward. But I don't know why we would delay this decision to Thursday. >> Mayor Adler: Yes, Ms. Alter. >> Alter: I understood there were some decisions -- that's what I understood to making this decision. Regardless of how one thinks about this decision, if we're going to be getting a briefing that is relevant to making this decision, I would feel more comfortable if we have that information before I was asked to make this decision. If there is not going to be information that is shared with us next Wednesday that is pertinent, and if my colleagues want to vote on it this week, that's fine. I still am waiting for information about how the -- what is in the contract that's driving overtime and driving the cost and, you know, once I get that, I'd be happy to review that, and if I have that before Thursday's meeting, I will be happy to do that in time so that I can make a decision based on that information. But we as council members are asked to make decisions on large sums of money, and if there's information that we need to be comfortable making those decisions, I think we should have that information to make these decisions, which do impact the safety of our residents and affect the bottom line and taxpayers. Thank you. >> Mayor Adler: Yes, manager. >> I think the information you're going to see is part of the longer-term discussion, but I don't think it would have an impact on the current year overtime costs. We are operationally, as assistant chief said, looking at everything we can to reduce the

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costs in the fire department on this -- what's left on this fiscal year. I think what you're going to see is really a longer-term discussion that would affect possibly the contracts, when you look at what's in it that drives overtime as well as further discussion on four-person staffing, but I don't think they would have an immediate large impact on this \$3.5 million, albeit they are part of your policy discussion. >> Ms. Pool and Mr. Flannigan. >> Pool: Would you call those a mid year budget adjustment? >> Yes, I would. >> Pool: And we have done those in the past and that's because we expect that during this current fiscal year, we have either already incurred these costs or we know we will incur them, so we have to adjust the current year's budget in order to pay them. Is that correct? >> That's correct. We need to make sure that this department is not over budget by the end of the year, and we need to make sure the additional cost will not be incurred. We need to minimize the additional cost. We'll be looking

at the estimate throughout the rest of the summer to see if there are any savings that could be gained.

>> Pool: And it was my understanding that this money is already promised and it's a short fall in the current budget year, so it makes sense that we would do a mid year budget adjustment at this point. >>

Flannigan: I think it's really important to have this conversation because we shouldn't take spending money from the reserves lightly. There are a lot of unknowns that we're facing as a city heading into the next few years, and if 12% is the place where the rating agencies want us, I think we need to be above 12% so that we have more flexibility to account for what changes may or may not happen in our other departments that rely on other external sources of funds that may go away, and I know that there's a lot of programs in those departments, health and human services especially, that we're going to want to continue, even if external areas of

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support are, let's hope, temporarily disrupted. But I think it's going to be very important to be in the budget conversation moving forward that we look at increasing our reserves to account for a very unstable environment. >> I feel that often health and human services funding is brought up to try to convince me of something or -- I agree we have needs throughout this community, but we should not be balancing our budget on the backs of our public servants, especially those that risk their lives to protect our city. So it's a struggle that we have throughout the budget, and you will see for the first time on that struggle, and we have to balance the needs throughout the city, and it's not our fire department's fault that we have a climate, a national climate and a state claimant that has chosen to withhold funding for political reasons, and so we will do our best to -- we'll do what we can with what we have, and I don't think we should do it on the backs of our fire department. >> Mayor Adler: Should we move on? >>

Flannigan: I bring up health and human services because it has the greatest external funding over just about any department, which is why I think it's pertinent to bring it up. When we talk about balancing the budget, it's going to get balanced somewhere. And it's going to be very easy -- it's going to be very difficult for us to pick and choose which departments are going to get -- where we're going to struggle because we go through this budget, and I can appreciate that I may be coming to this first time on the dais, but it's not my first time

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paying attention, and I think it's -- we're all going to have the same vote when it comes to the budget. >>

Mayor Adler: My sense on this is -- >> Flannigan: We all have the same vote when it comes to the budget, and it doesn't matter if this is your third budget or your first budget, and that's been used against me and council member alter before and I don't think that it's fair to say to any of us, and it's

been said multiple times by multiple people, it is not fair to say that first-time council members don't know what they're doing, and I really take offense to that, because getting on this dais, as you all know, it's not your first time at the rodeo. You get here because you know what you're talking about, and you've worked with your community, and you know how this process works. I think I've made very many examples of that in the four months that I've been on this dais. >> Mayor Adler: My sense is that we're all trying to work through this together. If someone wants to have an additional week in order to be able to see if there's something that comes out of the conversation on the 13th, I would give them that additional time, because I can't anticipate what that conversation is going to be and maybe would be relevant. I will also say that my sense is I'll be voting for this, whether it's next week or in three weeks, because it's a budget short fall we have that we have to cover, so we have to cover it, and I don't think, even if we wanted to affect this year's budget, we would really be able to do that in a material way. So, absent learning more, and I'm fine giving the additional time because I don't know what we'll learn. My sense is it's probably something we need to do. But the broader conversation about vacancies and the like, I want us to have now so that we can have that conversation at a time where if we wanted to act, it would be timely to do that. Are we ready to move on? Ms. Troxclair. >> Troxclair: I wanted to ask -- I don't know which of you is the appropriate person to ask. How close -- how likely is it that the department could come in under -- if this is approved at \$3.5 million, how likely is

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it that the department could come under that budget? >> We manage our budget every year to come in on or under budget, and the projection would be the same. We're asking for the amount of money we think is going to get us through the rest of the fiscal year. >> Troxclair: And my question just came after hearing the city manager say, you know, that y'all are going to continue to make sure that you're managing money as efficiently as possible towards the end of the budget, and hopefully there will be -- >> That is correct. >> Troxclair: I'm trying to see, basically, is it possible that you could only need \$3 million and we could approve 3 million now and if you need another appropriation before the end of the fiscal year, that you could come back and ask for additional money? >> We know Paul's an assistant director at the fire department. We are doing our best to cut back on the things that we can cut back on, but also escalating the hiring process, there's some other things that are coming up, and there's some unknowns. This summer, if things dry out and we have a lot of wildfires, we overstaff for those sorts of things, so I would say we're really squeaking by, even with the 3.5 million in terms of coming in on budget. It's a huge budget. You know, 100-some million dollars. Even 500,000 at this point is difficult. We've had some unanticipated costs -- you know, broken doors on truck bays and things like that that have added up. >> And the summer months are our most expensive season of the year, absolutely. >> Mayor Adler: Manager. >> Also during our budget processes, we proposed the budget to council. Even during the month of August, we'll be updating our current year estimates when we see additional savings so that those could be available in the

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decision-making in mid September. So we would prefer to make the full adjustment now than report out the savings to you during that timeframe, rather than having two amendments, when the department has done the calculations and they believe they need the 3.5. But I have charged them with trying to find additional savings. >> Troxclair: I appreciate the -- I know that y'all are doing everything that you can to make it work. Just in general, I would prefer that we take the most -- we make the most conservative mid-year budget appropriations possible, knowing that if that's not enough and we need to come back again, then that's okay. That would be my preference, but I understand your perspective that it's better to ask for what you feel like might be the full amount and then refund any savings. >> Mayor Adler: Okay. We'll move on then. I will point out that the consultants are at the architects meeting, the aia meeting this morning. I've been corrected now twice. Let's bring staff up here to give us a briefing on the parks and recreation department. They're gone, they're not here. They're soon to arrive. >> Good morning, council. Kimberly Mcneilly, acting director for the parks and recreation department, and with me today is Lucas Massey, acting assistant director, parks and recreation. We are here today to provide additional information regarding our facility pass system, our

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facility visit system and how we're collecting attendance information, and then allow for council to ask us any questions that may remain after the presentation. So, the parks and recreation department had a resourced allocation on it, and the findings of that audit told us a little bit about some improvements that need to be made with regards to our data collections, specifically with regards to attendance in our facilities, and attendance at our programs. And so the objective of that particular audit, just to refresh your memories, was to determine how the department allocates resources for programs and maintenance and to evaluate the equity, and the scope of that audit was to review the 2014 and 2015 resources for all of the programs and maintenance, and resource is everything from personnel to programmatic, to funding. And so the audit revealed that our data collection tools were not efficient or effective and that it was resulting in inaccuracies and incomplete information which made it difficult for our department to make decision, resource allocation decisions. The program data couldn't be aggregated in order for us to make comparisons citywide, and it was negatively impacting our ability to make decisions strategically department-wide with regards to how resources were being allocated. One of the quotes in that was that due to various internal and external factors, that we may be unable to continue to provide services at the level expected by the community. However, without having really good data, that sort of statement would be hard for us to make decisions, and so we needed to improve that. So the recommendation was that we needed to implement the

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comprehensive program management system to systematically track data, and the department responded saying that we would do a better job of tracking attendance. We would do a better job of explaining how costs and fees were allocated and were determined, that we would do a better job of using demographic information in our decision-making, and we would do a better job of collecting information that would help us understand the usage types. Why are people coming to the facilities to use what piece of equipment or what amenity within our parks system. We would determine how to offer an appropriate balance of services giving the funding and adjust accordingly. We also said that we would adjust fees to recover costs, which was a policy discussion that we had earlier. And that also, we would ensure that all participants were registered and paid for programs. So in order for us to respond, the parks and recreation department said that we would utilize our rec track system in a matter that permits the department to collect the data, and so we would have a registration process for our established programs, and we would also have a data collection process for people who are coming or just dropping into the recreation centers, which had not been implemented. It was a capability of our system, but it had not been implemented consistently department-wide, and basically, what that is that individuals receive a pass, and that pass is linked to some basic information about each of those individuals, their name, their address, zip code, contact information, like an e-mail, and emergency contact is something that we thought was important, but it's optional, and that individuals would have that pass issued to them at no cost. They could come in and swipe their pass, almost like a membership at a gymnasium, but I want to make sure that everybody's clear that this membership costs zero amount of money.

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It's just a pass that is after individuals fill out the information, it's given to individuals at no cost to them, but then the data would be collected automatically, and we'd have an idea of what it was that individuals might be coming in to use the center and how often they're coming and what time of day they're coming and those sorts of information. If individuals are not interested or feel uncomfortable completing a pass, then we have an alternative system, which we're just calling an alternative check-in system that's designed to accommodate individuals who are coming once. Maybe they're just coming that particular day with their cousin. They're never going to come back again, or unlikely, or they're coming for a rental or something to a celebration one time. We have an ability to press a button to track the attendance. Or if individuals don't feel comfortable and are saying to us I don't really feel comfortable filling out that information, we have an alternative mechanism that doesn't track as much demographics, but it will at least attract the attendance at that particular location. It is our hope, based

upon what the resource allocation has asked us to do, that this process that we have implemented will allow us to make better staffing level decisions at our facilities, will allow us to understand who's coming into the centers and what sort of activities they're interested in participating in. It will help us design programs. It will help us make decisions for long-range space planning. For some of you, you may hear from your constituents that are centers are not large enough to accommodate the number of individuals, so if we have ability to track information, we will be able to back that up with data. And refine our program offerings so that we know that we're offering exactly what people are asking for, and it will help us be more efficient in utilizing our resources.

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So we're putting resources where they're most needed. It's basically, in a word to sum it up, it's data-driven decision making. So we have, if you would like to see, it's only optional, we had our staff actually demonstrate how the whole pass system works, but I think we describe it, unless you're dying to see the video, we can send it to you. We can send it to you separately or we could show it to you right now. We're absolutely open for questions. >> Mayor Adler: Colleagues, any questions? >> When it was implemented, some had some concerns that it would suppress attendance, or people coming from various programs. Is there a cost to getting a pass? >> No, ma'am. There's no cost to get the pass. But I think we did have an unfortunate situation in that we were piloting this and testing this and bringing this onboard at the very same time that we did have some issues with immigration because of decisions that were made at other levels of government, and I think they coincides, and admittedly, I think it made some of our residents and some of our community members uncomfortable, but that was not the intention. It was an unintended consequence. It didn't -- it just happened to coincide at the same time. But there is no fee related to this. >> Pool: Thanks. I think it would be helpful to get more accurate information about how many people are using our programs and so I support the work that you're doing on this topic. >> Thank you. >> Mayor Adler: Council member Garza. >> Garza: So this has been implemented city-wide? >> It's in the pilot stages. We've implemented it at several locations. I can let Lucas give you the exact locations so that we can test and get all the kinks worked out before it was implemented department or city-wise. Would you like the location?

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>> Garza: I would. And also, is there a cost associated with this pilot? >> There is a cost associated with the pilot. We were able to put together the money after the resource allocation audit gave us the recommendations at the end of the budget year last year, we were able to put together the amount of money to add onto the existing system, and I'll let Lucas tell you the exact cost. >> We chose pilot size

based on the attendance after the locations currently. It showed sites that could handle the workload as is, and we're looking at south Austin rec center, Hancock recreation center, and pan am recreation center, the pilot sites that kind of ran through it. The costs associated with one-time capital, for I.D. Cards, for scanners, for things like that. There is an administrative cost, but it's something that we were already doing, a check-in process in place. It was more like people signing their names on paper, and us entering those numbers into our system. So the administrative cost is kind of a wash. >> So what is the cost, the total cost? >> The capital cost was approximately \$50,000. >> Garza: And for the cards themselves? >> There is a minimal cost for the cards. The card is not a mandatory part of the process. We can still check people in and out, once their name and basic information is in the system, they come to the desk without their card. They can just provide their last name and we can enter it manually. We did purchase iPads as part of the process for them to be able to check themselves in without a card using their last name.

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>> Garza: So if this were to be implemented citywide, what would be the cost? Is that something that you're asking for in this next budget? >> The cost is already covered by last year's -- the current system that we've already invested in some years ago in 2012, the additional \$50,000 investment that we've had and any kind of cost for the cards will be absorbed into the budgets that already exist because of their minimal cost. So there's no additional investment to be able to take this citywide. We've made the investment in fiscal year 2016 at the end of fiscal year -- I beg your pardon, the end of fiscal year 2016, yes. The end of fiscal year 2016. So the only cost is the actual physical card, which we stocked up on, but it's a minimal cost that can be absorbed into the existing operating budgets. >> Garza: Okay. So I asked for this presentation because I have concerns about this process. I read the audit. It doesn't say any -- it says that there are problems tracking attendance. It says that, you know, my understanding -- I talked to some parks and rec center people saying every rec center does it differently. The audit gives an example of how attendance sheets are lost. In one example, how rosters from a previous month are used for the month, for another month for different programs. It doesn't say anything about specifically a card. And as you alluded to, my concern is we are in an unfortunate climate, where there are members of our community who are in hiding, frankly, who aren't seeking medical care, who aren't seeking police services, and I'm very concerned that there will be children who, because regardless of an alternative plan that allows them the opportunity to just sign in, it sounds like in one instance, they have to get a

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card, they can leave it there, it's on file, they can just give their name. Or the other alternative is to manually sign in. If that's what the process is going to be, why can't we do something that just makes that sign-in process better than requiring somebody to have a card, which could, and has, and will have the unintended consequences of certain communities not going to our rec centers. >> So we absolutely say that the card is not required. You don't have to have a card. But to your point earlier, speaking with some of the recreation centers, and as was found in the audit, we are not keeping information consistently throughout the city, and this is an opportunity for us to be more consistent in how we collect data. If we rely upon sign-in sheets that we've had before, you know, Charlie Brown signs in, Michael Jordan signs in. We're not really sure who exactly is coming into the center, which may or may not be important, but the point is that we don't know anything about who those individuals are, so when we're trying to make resource allocation decisions and we don't know if they're using the facility for the fitness area or we're not sure if they're using the facility because they enjoy the computer space, or we don't know if they like the game room, we can't invest in and with regards to children, we absolutely understand -- we'll never turn away a child, card, no card, sign up or no sign up. Of course they'll come into the center, and we can just press a button and say, yep, we know that we had one child enter the center today. We won't know anything about exactly why they're there, but that's okay. We understand that that maybe takes a back seat now, or takes a back seat as to being able to care for a child, knowing exactly why they're there is not as important as having them in a space where they can feel safe and enjoy themselves in a recreational activity. >> Gallo: I'm just having a hard time. If you need the card to track certain things but

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will let people in anyway, those people need to be accounted for as well. If we're using that information for resource allocation, the people who are just signing in or are sitting the dot saying one child, those should be -- those should be -- there should be a record of those as well, if we're using that for budgetary reasons. So it seems like we have two systems here. We have a -- a card system and we have a non-card system. I don't -- I don't know how that addresses the problem of records management issues for the department, if we're not going to count those people, then they're not going to be part of the assessment for budget allocation. >> Well, they're part of the assessment within attendance, but what we don't know exactly is why they're utilizing the center. If a child is coming to the center and they're signed up for the after-school program, we know a lot of information about that particular child because there is a registration form that's required for them to participate in a fee-based program, or if they're coming for something like boredom busters, where they'll receive a free meal during that time frame in the summertime, we know a little more about the youth participating in that program. But if a child comes and they want to use the center and we don't know why they want to come to the center, we're not going to deny them access. To your point, either the system could be -- we're trying to implement a system that gives us more information that's data-driven, and so to your point, yes, by making an exception and telling individuals that if you don't feel comfortable filling out the registration

or the information that's associated with the -- with the membership card or with the pass or whatever we want to call it, to enter the center, we're not going to deny you access, but to your point, we will have -- we won't have as complete of information about the community or about the individuals that are using that site. So from a parks and recreation department, it's very desirable to be able to have as much data to make

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data-driven decisions, but we also are very cognizant we're not going to deny anyone the opportunity to use a public facility. So we're going to have to make sacrifices. We could either put a hard-and-fast rule in that says everyone will have a card, but we don't believe that's appropriate because we don't want to disenfranchise people, so we'll have to have a system that's the best we can and the conditions under which we're living right at this particular moment, because we believe it's important to serve individuals. >> Gallo: I just think that there could be a system where a card is not required and we can still get all the objectives that you're trying to reach, and while here on television we're saying you don't have to have a card, people aren't watching us right now, and there will be rumors and there will be fear and people will think I have to have a card to go use a rec center. That's one issue I have with this. And the other is, if we're making budget recommendations based on attendance yet we are only tracking very well if you have a card, there will be parts of the city that will appear to have lower attendance than other parts of the city. And so I think of all the things that were addressed in this audit, it doesn't seem to be one that we need to have been addressing with this issue. So I'm happy to hear from other council members on this, but I'm not sure what route I will take to -- I don't know if it's through ifc, but I -- and maybe we'll wait till the pilot program is over and see -- when will the pilot program be over? >> We pretty much need to activate the rest of the iPads and we can -- we can make that happen. We're just kind of on standby or a holding pattern until we can get those kick --

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activated. >> Was this run through the office of equity in. >> I talked with Mr. Oaks regarding this and one of the things he said and I don't want to quote him and he is not here to -- is that it's important to collect demographic information to make data-driven decisions, and if we're going to be looking at things through a lens of equity, that that is something that would be consistent with looking at things through a lens of equity, collecting data with regards to demographics. He's not here to say that he did say that so I don't want to put words in his mouth. Council members, I do want to add that when we make budget decisions it's not just based upon the collection of this information. We have community engagements. We have information that we receive through the community surveys. We also have,

obviously, this data that we're collecting. But it's not -- I don't want to give the impression that the only thing that we look at is attendance. I do want to make sure that folks know that we have a more robust consideration when we're making some decisions, and a lot of it has to do with community engagement also. >> Renteria: Because sometimes low attendance at a recreation center may actually warrant more investment in that recreation center so that people want to go because there's the programs that people want there, or it could mean that something isn't working efficiently and you have to invest in something else. But I'm just -- >> That is absolutely a scenario that needs to be considered. Did we do a good job in advertising a particular program? Was low attendance because nobody wanted to participate in that program or is low attendance because we did a poor job of advertising the opportunity for that program? >> Renteria: If I recall on council member Flannigan, one point I want clarified from the question and answer that just happened was, right now if I am showing up for a particular rec center program that's free, if I'm showing up for a particular rec center program that's free, I show up and there's a piece -- if it's not in

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the pilot program there's a piece of paper and I write down Greg Casar and they know I'm going to use that basketball court, I go and do and I write my name down. What you're saying is you have a card system and somebody scans the card and it registers my name, but if -- but what you're also saying is that if I don't have Ni card -- my card because I lost it or because I didn't get one because I managed to lose almost everything in my wallet so now -- then I could still show up and instead of writing my name down Greg Casar, I could just type that in on an iPad and it clicks me in? >> Yes, sir. And you could also -- those cards have a number associated with them that's a number associated with your name. So if you went -- if you were comfortable giving us the information but you weren't comfortable carrying identification card, you could just come in and type in 17624, and come in. >> Casar: And maybe something to think about as -- and I hope you all continue the conversation with council member Garza's office, on this is it sounds like part of the concern could be would people say, oh, I lost my card, now I'm not going to go to the rec center because I lost the card and -- and it's better for me to just not go because I don't have it. And I understand that there's an education -- you know, a gap about, well, people need to know that they could just show up and check in with their name just like they would at any other point, but it sounds like the card -- it's less about the photo and the name and the I.D. And more about just a bar code on it. >> Yes, sir. >> Casar: Because a lot of folks have, for example, the ymca, up on rundberg, has just a little bar code thing that you attach to your keys. It doesn't have your name. It doesn't have your photo. It's just a little thing to scan so that people don't have to type. So maybe -- that may just be something for -- to think about, because it sounds like part of what you're going for is digitizing the manual writing in of your

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name process as opposed to really needing people's I.D. >> Right, it's automation -- it's exactly what you said very succinctly so maybe I should have started with that. >> Casar: Well, no, I just don't think I understood this as city council member, so I think the challenge that I respect and agree with from council member Garza is if we are trying to understand this at a work session, it just becomes harder for your average community member to understand it. So that's why I think it's important for you all to have done a pilot and for us to think that part -- >> And I also agree that if this is something that we're moving forward with, there needs to be an opportunity for us to spend some time educating individuals who will be using the system, and so is that -- how do we do that? What's our roll-out program? We're at the point where we've put it on hold because of this policy discussion, but if we are to roll it out, what is the methodology in which we roll it out to make sure that everybody understands and has a comfort level of knowing what all their different options are to be able to access the center. >> Casar: My gut is that those little bar code scanners are less intimidating than a full-fledged I.D. Card, but again, that's a gut feeling, not tested with the public -- >> And that feedback is very important for us to consider, so thank you. >> Tovo: So thank you. I apologize for stepping out at the same time the mayor did, so I've missed part of the conversation, but I do need to let you all know that the consultants for codenext are here, so I think that we also have a hard stop around lunchtime because so many people are going to the luncheon today. So I'm not sure, maybe the mayor knows what time he had planned to stop for that. Council member Renteria and then council member -- oh, okay. You, and then council member Renteria and then council member Houston. >> I'm really inclined to agree with council member Garza about this. I feel like it's a little bit of quantum mechanics. You change the data through

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the act of measuring it. I wonder, are there other cities that go through this process for their -- for their rec centers, for their public facilities? >> There's multiple cities. We could certainly give you a list of them. >> That would be interesting to know. And it seems like in some sense it's similar to a library card, except that with a library you're taking a public asset home with you, so there's more of an incentive -- more of a reason to track, but in this case -- I don't know if it's possible to get to the place where even if you're just giving someone an I.D. Number and you're not tracking their name, you're only tracking their zip code and you've got some demographic -- I don't know if that even solves the concern. It's something worth looking into. And prior to the pass system, how was the data being collected? I understand the auditor didn't like it but -- >> In some cases it was just a written something, where someone would write in, sign in when they came in and just say what it was that they might be doing. Sometimes people signed in, sometimes they did not. Sometimes they passed by. So -- >> Flannigan: Would it not be possible -- or would it -- would just tracking the number of people going into the weight room or using the gym, just the raw numbers, are we not tracking that? We're requiring a sign-in in order to track that? >> Yes, when people came into the center we were asking them to please sign in. So

again, some people put their real name, some people put a different name, but we were asking them to sign in and help us understand why they were coming to the center. >> Flannigan: Would it still be valuable data if staff was just kind of like click counting as people walked in the door? >> It's -- that -- that's the inconsistencies that were happening, and I would say that when you're having one individual at the front desk who is trying to take a registration and the phone is ringing, it's highly unlikely that you're going to be able to click all the people in. We're -- >> Flannigan: So the pass system doesn't require staff to do it. People are walking up and standing their -- >> Mm-hmm.

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>> Flannigan: So it would seem to have the same inconsistencies as the sign-in sheet. >> But it's digitized and connected to other information -- >> Flannigan: I mean in terms of requiring people to do it. I mean, there's nothing -- there's no physical barrier that opens once you scan your card. >> There's no physical barrier that opens, no. >> Flannigan: Okay. Thank you. >> Renteria: Mayor, I want to make a quick comment that I've been on a board for about 18 years before I got elected, and I -- everything that our staff said is correct. You know, people just walk in. I do the same thing. I never register when I go to the rec center. You know, if you just walk in, it's up to you whether you want to register. They do register you when you're participating in one of their programs because they need to have your information, and of course there's always liability concerns, so you have to, you know, sign a form and all that other information that's required. But never have I ever seen anyone denied, stopped or asked, you know, why they were coming into a rec center. It's just all voluntary. So I just wanted to state that. >> Houston: I think I was next, mayor. >> Mayor Adler: I'm sorry, who -- >> Houston: That's okay. And I want to thank you for doing this, because in expfh expfh -- some of my recreation centers sometimes it's a catch 22. We don't have a good way of tracking people, so when we're asking for some new program, well, we don't have the data to support that. And so I think as we look at not only what we're currently offering but what people say they would come to if we did, and being able to track the numbers, you know, givens may have a very high number of some but not a high number of elders, and

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we're trying to get more elders to go to givens because we have some additional programming that we're trying to do. But if there's no way to keep track of the demographics or the ages, then when it comes time to allocating those resources, then I'm going to have -- givens won't be up at the top because we don't have any data to support the fact that elders are going to the programming there. So I welcome the fact that -- because I've seen kids at givens come in and go straight to the basketball court, not sign in, elders come in and go play dominoes, nobody signs in, because everybody, quote, knows

them, you know? And so this way we actually have a number of people that are using the facilities and that will help us better program for them. So I support the data. >> Mayor Adler: Yes? Ms. Garza? >> Garza: I'm not against getting better data, but I think what council member Renteria and Houston said speaks to the point that Mr. Flannigan made, which was just because you have a card does not mean you're going to scan it, and you can just continue to walk in, if that's what people are used to, regardless if they have a card or not, and nobody is standing there telling them to scan it, they might not scan it. And so I just feel that we are in a different political climate right now that affects members of our community differently, and we should not have a policy that has the appearance that could possibly -- could possibly, you know, create a situation where parts of our community are not using our rec centers. I don't see why we have to implement this right now. I think if we want to be a city that is -- continues to be welcoming, then we can continue to do -- we -- like I said, this audit, and I encourage you all, if you haven't had a chance, it says that we're not doing a good job of tracking these numbers.

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None of the recommendations say, and a card would make it better. It says we need a better system. And so I would just urge us to not move forward on something that could prohibit members of our community from using our rec centers, if it doesn't seem like people are -- they're going to walk in anyway with their card or not. >> Houston: And excuse me, mayor, I want to respond to that, because I think the kids would like to have a card. I think they would use it. It's just that there's been no other option for them, with the education that you all talked about. And again, I think you've given some options. Those people that sign up, they sign up. Those people that don't sign up, they just hit a buzzer and we get a count. Somebody said it was like having a library card. I think council member Flannigan mentioned that, except they take a resource out. Well, the resource that we're paying attention to are the people that use our public facilities, and I think that's the important resource. That's -- that's something that we need to keep a good account of. When I used to go to the Y, I had a card. I had to show them who I was every time I walked in. I paid for that one. This one they don't have to pay for. And so I think with the education, after we finish the pilot, I think people will -- if they're fearful, then they don't get a pass card. They just hit the buzzer and they go in and do what they're doing, but I think we'll have more discrete data than we're having now if we implement this program. >> Mayor, if I might, Sara Hensley, interim city manager. I -- excuse me -- want to make a couple comments. One is the answer to the question about is this done across the country, absolutely it is, and it's becoming more and more important to look at having tools, and I agree 100% with council member Garza, in the times that we're in right now, this could be perceived as something that would

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alienate people. However, the goal was never to alienate anyone. It was to do what this body asked us, which was to be more focused on how we allocated our ideas towards programs, more in the centers, not necessarily our budget overall, but we need to be able to spend our few dollars we have more wisely and look at the priorities at those locations. The other thing is, quite frankly, and in unfortunate situations where someone may be injured in a facility, at least having some way to know the numbers of people that are in the building and when something happens that we have some way of notifying, there will always be some people who come in a facility who don't check in. It happens, and because when you only have maybe two and a half people on staff at one time, it's going to occur, and the way that we felt like was the most reasonable was to not -- not to tell someone they had to have a card, but to be there for those so that we could get a handle on understanding who was using what and what locations at what time. So when and if we have to make tough decisions, or we have money to make even better decisions, we have those -- we have the abilities, we've increased this facility by 50%. Here's the current information we have. This is a dilemma, because we feel just as pulled on this one as I think anyone us would, but -- but we also know that we have to move into the 21st century when it comes to technology and managing our facilities, and this was one way. The card was not recommended by the auditor's office. This was by doing a trends analysis and national research what was the best the best practice and this was one of those best practices. It is not a fail-safe proof, meaning it has some situations where people can get in, but it is better

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than currently saying, sign in, and then we have a sheet that has 15 names on it and we know there's 100 people in the building. >> Mayor Adler: Okay. Thank you very much. Thank you. Council, it is 10:20. How many of us are intending to go to the luncheon today at noon? There's an outside organization with the lunch today at noon. I think I'm going, Ms. Pool is going, I think the mayor pro tem may be going. Rest of the council could certainly continue on. I would suggest that we go to codenext right now, and that at noon we have the opportunity for executive session. Council member alter could certainly brief everybody on what's happening in the muni conversations, and I'm not sure there's anything else to be picked up. And we have the other briefing. I don't know how long the codenext conversation is going to go. That could take us till just before the noon hour, and then the question would be would you want to come back for the pay equity briefing right after codenext was done or after lunch? After lunch? And that briefing could take place even it was kind of a skeletal crew, the briefing would be in here. We could all then watch that briefing. So that might be the way to go. All right. That said, let's pull up then codenext folks. >> Morning ir, mayor and council, Greg Guernsey, planning and zoning. I understand some of you want to have an overview of the code talk that was from last night on affordability, and if you'd like we can -- I can bring up the consultants that presented that briefly and give you an overview of the information

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that was shared with the public last night. It's going to be similar to the information for the CDC, rather than answer individual questions about affordability, and then we can do q&a, but it's kind of up to you. >> Kitchen: Mr. Mayor? I think that that would be useful and that will help us focus our questions, so we could do an abbreviated version of the information that was presented last night and then ask questions after that. >> Mayor Adler: I think that's the way to tee that up. Okay? >> I'm going to introduce Erica leak and then she can kind of kick off the very brief presentation, I guess on the affordability pieces that were given last night. >> Good morning, Erica leak, neighborhood housing and community development. So I'm going to start with a super-quick reminder of the housing blueprint, and basically how it connects to codenext. So I know we did the blueprint recently, but I think it's helpful to understand what we assumed in the housing blueprint about what codenext could potentially deliver in terms of housing affordability. So as you know, you all adopted the strategic housing blueprint as the city of Austin's first strategic housing plan just a few weeks ago, and as I've mentioned before, we wanted to make sure that everyone understands different definitions of affordability, so one of those is the hud definition, which is that individuals spend no more than 30% of their income on housing, but then there's also the

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imagine Austin definition of household affordability, which includes not only housing costs but also transportation costs and utility costs. We've talked about the housing gap before. We know that there are approximately 48,000 rental units needed for very low income households. Those that are approximately \$25,000 per year or less. We've also talked about the fact that one of the reasons that's really important to have a sufficient supply of housing at all income levels is that there is much -- there are many fewer housing units available and affordable to people at low incomes than there are households at those incomes. So the blue bar shows how many households there are in a particular income category versus the Orange bar, which shows how many housing units are available to -- available and affordable to people at those income limits. So since we don't have a sufficient supply of units affordable to low-income people, they end up competing with higher income households. >> Pool: Real quick, do we have this handout? >> No, this was a last-minute -- >> Pool: Could somebody email it to us while we're sitting here? It would be easier, I think, for some of us than to be able to see it on a screen. >> Sure. And again, all of this was information that was in the housing plan presentation but it's just a reminder. And then we wanted to make sure to point out how -- how the land development code does have an impact on affordability in the 2014 housing market study we found that attached products are more likely to be affordable to people at

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50,000 and 75,000 per year. So for renters earning less than 50,000 per year, 42% of the attached products were affordable to those households whereas only 20% of detached, or generally single-family homes, were affordable to people at that income level. We know that trying to close the affordable housing gap with funding alone is likely unfeasible with a price tag of about \$6.5 billion, so we know we need to look to other strategies. So codenext, one of the things that can be accomplished through codenext is creating income-restricted units through density bonus programs, and the consultants are going to talk more about that. And then also in assuring that there are a greater variety of housing types, and those can generally -- those can often help create more affordable units for those at the 80 to 120% of the median family income. This is just a reminder of the -- what we call the stack or the potential funding mechanisms and tools that can help us create more affordable units in the city and density bonus programs are certainly one of those. We assumed based on past performance that we would be about 1450 units over ten years, and the consultants are going to talk more about that. So that's all I wanted to go over quickly, and then Lisa wise with Lisa wise consultants will continue. >> Great. Thanks, Erica. Good morning, mayor, members of the council. I'm just going to give a quick overview of codenext as it pertains to affordability. As was discussed last night, it's not a silver bullet when it comes to this topic

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but we can make a lot of headway on the affordability issue. A couple slides coming up. I'll keep talking, though, so we can cover a lot of ground. >> Pool: Do we have a copy of these slides? >> I think they're all getting emailed to the council as we speak. >> Pool: Okay. >> Sorry about that. >> Pool: Just as an advance notice next time you may want to send them to us like 24 hours in advance. >> Mayor Adler: I want to interrupt you for just one second, a housekeeping matter. On the executive session we have the ability to talk to our direct reports. Sure enough. It's on but not attached. Sorry. We have executive session, personnel matters. As council knows, one of the things that was still outstanding was the possibility of discussing the materials that had come back from the employee general polls in the city. The question is over lunch, if three of us are not here, do the rest of us -- rest of you want to just engage in that conversation? You'll also be gone. So should we let those staff members leave at this point? Let's go ahead and do that. So we'll let them go and reschedule that time. >> Tovo: Since we're talking about housekeeping, I'm not sure I'm grasping the plan. At 11:50 we're going to see four of you leave. Are we going to continue with the pay equity presentation or no? >> Mayor Adler: I think that the thought was they would break and have lunch and executive session. We could have -- in executive session we would get a short brief on muni -- >> Tovo: So we'll have a (indiscernible) Session but not the direct report. >> Mayor Adler: Correct. >> Tovo: After lunch will we come back and have that direct report discussion

with our council members or we're just not doing it today at all? >> Mayor Adler: We're just not doing it today and we would come back and do the pay equity presentation, whoever is here.

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>> Tovo: Okay. >> Mayor Adler: Okay? >> Tovo: Okay, thanks. >> Mayor Adler: Thank you. >> Pool: And if I could just follow up on the handouts and stuff, I know it seems sort of pedantic, possibly, but one of the things this council has asked our staff is to give us backup information at least a week in advance, if not longer, so it's also available to the public. I'm surprised that that wasn't something that our staff advised you of you, and maybe they did but you just didn't have it at the time. So we do need to have -- >> Mayor Adler: In all fairness, what happened here is we just asked them to be available to come in with nothing. >> Pool: Okay. >> Mayor Adler: And that's what this was set up to be, but then they made a presentation last night that people in the community asked questions about, and we thought, hey, as long as you're here, as long as you gave that presentation last night, why don't you touch base. So it's that -- >> Pool: I understand. That makes a difference. >> And mayor, I hope. >> Tovo: I hope we'll have an opportunity for questions at some point, because I assume that last night's presentation was televised so that -- >> Mayor Adler: And we stressed abbreviated. >> Tovo: Okay. Thanks. >> Mayor Adler: Okay. >> Okay. So we'll try to be quick. There were several elements to frame the code update. I'll move forward. So mobility community environment housing and permitting. We're talking about housing tonight -- this morning, and these all contribute to the quality of life but they also frame the affordability discussion, especially when it comes to mobility, car ownership, transportation, things like that. So it's important not to think about things in isolation as we -- as we move this conversation forward. And I'll try to go quick because I know you guys have a lot of questions too. So there's three main topics I wanted to cover. We covered last night. I want to talk about a little bit this morning when it comes to codenext and affordability and we've talked about these a little bits before but more diverse housing choices. Austin like a lot of cities has been really good at creating single-family detached housing and large scale apartment buildings but not good at that missing middle attached housing project that Erica just said really contributes to affordability, especially for renters. So I want to talk about that

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quickly. We've done a lot of work in codenext on improving the permitting process. That's what it takes to get a project off the ground. There's a couple key elements related to affordability of missing (indiscernible). I want to talk about, and then affordability incentives, in particular density bonus and Ian has a lot of detail on that. So as you know, the code has a lot of housing choices, much more than the

current code. This is new. We don't regulate right now by housing types in the current code. We just have low, medium, high, sort of a one size fits all when it comes to residential development. In the new code it introduces a bunch of missing middle or medium density how do you spelling, duplexes, triplexes, small lots, all of those things, which is a major step forward when we're talking about affordability, especially maybe affordability with a little a. And addressing some of the need issues that Erica outlined. Again, just a lot more diversity in the housing types and the trans-ex Zones as opposed to conventional which is a major step forward with codenext. So these are all in the various Zones, T 3 Zones and this is where you find these building types, as you can see across the bottom, you have the duplexes, Adu, cottage court so each zone allows different residential types. Same thing with the T 4 zone, going up the scale in a little bit more larger scale product types and residential development. And then going up to t-5 you can see multiplex, quad plex, 8 unit buildings, mid rises, et cetera. So these are all the missing middle housing types that we think will go a long way in addressing some of the affordability issues that are identified in your blueprint. And you already have these. In your older neighborhoods you have multiple neighborhoods in house scale and new developments like

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Mueller you're introducing these already. While it's not widespread you do have it, so building on this makes sense in a lot of cases. I know I'm going fast but I want to get through this because you guys are anxious to get forward. And then talk about streamlined review. We spent a lot of time working on the review process, entitlements, site plan review, the permitting process, noticing, et cetera, but one of the things you'll find in the new code is a more streamlined review for this missing middle housing product type. So as you maybe know on-site plan review there's residential reviews, commercial reviewers. Right now multi-family has a higher level of review, goes up to commercial review, so we're creating this mezzanine level for missing level which is streamline the process, so a little bit more streamlined submittal process and site plan review. Which as you know time is money and this could be a cost saving for development, and a time saving. And then affordability incentives, I'm just going to tee this up and Ian will go into this in more detail in chapter 3 we have several affordable housing programs. The largest one is the citywide density program where we're consolidating a lot of your current programs and improving them, more closely calibrating those to local market conditions. We're also rolling forward and approving the downtown designee bonus program and then two other programs you currently have will be in the new code, smart housing, which your fee waivers for affordable housing developments and your tenant notification program will be in the new code. And this is just an outline. I'm not going to go into this in too much detail. It's in the draft code. I'm going to turn it over to Ian to talk a little bit more about the density bonus program and how it works specifically. >> Good morning, mayor, council members. My name is Ian Carlton, echo northwest, and I want to speak to the density bonus program and how we're approaching that. Last night the panelists did

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a great job of setting this conversation up with a discussion of where density bonuses fit within the broader suite of tools the city has. They also provided many definitions of affordability, intergenerational housing, the location of housing and consideration of housing plus transportation. Numerous definitions, and I wanted to focus this conversation in my slides on what the density bonus program is doing, which is -- as you can see, in this low and moderate income classification the density bonus is focused on the 60% and 80% of mfi category. And this definition is coming from the housing blueprint, as you can see from this housing blueprint diagnose, and the density bonus program is already in place. It's in your suite of tools. And it's represented here in your stack bar chart of tools to achieve your 60,000 minute goal of affordable housing, and again, this is one tool in the toolkit that is really focused on that 60%, 80% Ami household income. So what are density bonuses? How do they work for affordable housing? I'll also touch on what we can see within the codenext draft text and codenext maps as far as density bonus program proposals, and just some bonus policies that are under consideration. So why a density bonus program in the first place? Density bonus programs can leverage higher-end markets, all right? They are focused on where development is already occurring. Density bonuses are an option the developer can execute upon when they are already carrying out development. When carrying out the development these density bonuses offset the cost of providing some amount of affordable housing, which means it is no direct cost to the city for the

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provision of these units. This is a cross subsidy from some units within the building to other units within the building. And most importantly, a density bonus program enables mixed income buildings in areas of high opportunity where development is happening. So how do density bonuses work? Developers are granted rights, they're base entitlements and there are two ways the density bonus works. One is that those developers through the code are granted the ability to build more within the same form, so four more -- to pour more units into the same form. The alternative is the more classic sense of density bonuses, which -- sorry, and to be clear, in one case the developer makes a certain amount of money to pay their investors, to pay for sticks and bricks, the construction cost, and they have money left over, that's their land budget. When they're offered a density bonus the goal is that they have more money left over for their land budget. They pay for their sticks and bricks, they pay their investors and they have more money left over for the land budget. Now, density bonuses work in two ways. There's another way where you're granted the base entitlements, and this is the classic sense of the density bonus where someone is given the ability to build a larger building, more intense development on the site, so through far or height, one can build a larger building, two very distinct ways, same result, that the base produces a certain land budget, and the bonus delivers a larger land budget after paying for construction costs, investors, et cetera. So more money left over to pay for land, more ability to build

more. Now, this doesn't work everywhere. Let's be clear, the density bonuses only work where development is feasible and more building is feasible. Sometimes there isn't viability for more units in the same form, sometimes building more costs more, so building a structured parking deck is more costly

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than a surface parking deck, so building more may cost more, which means you see the dollar sign get smaller as you take a density bonus in some parts of the city. In those cases the developer can opt not to take the bonus. So more development would not occur on the site. The developer can always choose not to build or to not even build a bonus. Let's go back to the situations where the density bonus works, and what we're talking about here in the city of Austin with the density bonus is taking some of this additional value that comes from the density bonus and reallocating it to public benefits. Dollar signs on the right are still greater than the dollar signs on the left, so developers would be able to pay landowners as much or more for their land, which means they would be more likely to carry out the bonus and deliver more housing. What we are talking about in the city of Austin is using that public benefit dollar and putting it back into the building to subsidize affordability. Asking for more public benefit, asking for more units in the building can make that planned budget shrink. When the land budget shrinks, again, the developer can always opt not to take the bonus, and when asking for too much public benefit, the developers will simply not build the bonus and they will not build affordable housing. So this is what we mean by calibration, when we talk about calibrating a density bonus, is making sure that we're asking for the appropriate public benefits so the developers will deliver on that option. The density bonus areas that you currently have today are all staying in place in one form or another. Those include downtown, uno, todos, north burnet, east Riverside, vmu. The way this plays out is today you have 12 square

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miles of land area in the city of Austin where density bonuses are eligible, where developers could deliver something in the bonus, and affordability is required as part of that. 12 square miles. Under the new proposed codenext Zones, which can be found in the text, they are a set of Zones where density bonuses were identified as appropriate and possible, feasible, and other Zones where it was not considered feasible. Low density areas, public zoning, parks, recreation facilities, et cetera. Those areas where in the codenext draft it suggests there may be density bonuses changes the amount of area where bonuses will be Austin. Today you have 12 square miles. In the proposals you would have going forward, vmu would be replaced, so reduce the square mileage by three square miles where vmu is

being replaced by new codes. Add an additional set of codes for residential areas that offer bonuses over 30 square miles. Add commercial Zones over an additional 18 square miles, and in some cases the bonuses are offered on mixed use Zones, so the grand total is 48 square miles of area where density bonuses would be available going forward. So a shift from 12 to 48 square miles where bonuses would be available to developers. If you look at the imagine Austin centers and corridors, it represents a 50% increase in land area within the Austin centers and corridors where density bonuses would be available. So the existing draft codenext map and code suggest 50% increase in the imagine Austin's corridors where housing plus transportation costs are -- the target is to make those

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affordable through lower transportation costs in particular. Develop bonus area on a site, the following options are being considered. For housing developers, provide units at 60% mfi for rental or 80% mfi for ownership. So again, this is the target for the policies citywide. An option may be offered to build an equal number of affordable units off-site within a specified maximum distance of the subject property where the bonus was taken. Or alternatively pay the housing trust fund a fee in lieu providing the affordable units, the same as exists today in the density bonus programs, and for commercial developers, again, as the downtown density bonus and other bonuses, a fee in lieu would be paid into the housing trust fund if commercial development were to utilize the bonus area available. So quick take-aways. The potential bonus are available for residential and commercial, offered in more land area under the codenext proposal, and still available in all the areas that they're presently available. The bonus requirements, build on-site, off-site, or pay fee in lieu, consistent across all the Zones to make it easier to interpret than it is today. And potential timing of this is that we are calibrating ongoing to reflect new codenext maps, and policy proposals going forward, and we update that more anticipate more details will be released in detail along with mother from the codenext team. I'll hand it over to discuss more in the codenext -- >> Tovo: Before you move on let's take some questions right now. Council member alter. >> Alter: Thank you. I just had a clarifying question. You talked about the number of square miles that would be increased. I'm just wondering about what's the estimate on the number of units that could be generated if we used these -- >> Sure. So at a high level, the areas where you currently have density bonuses are

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some of the most dense in the city. Where we're applying density bonuses in the new code tend to be less dense than places like downtown, obviously. And so I would hand this over to Alex Joyce with fregne circumstances I and associates. They've been conducting the unit estimates and we've provided

them concepts, some ideas of what the bonuses might be, and they're looking at giving an apples to apples number with their overall estimate of units. >> Great. Thanks. Alex Joyce of fregnesi associates. So as Ian said we're having a lot of back and forth these days as the maps are getting refined to try and figure out that number. What I can tell you right now is that we think that an increase in the number of affordable units could be in the order of 50 to 100% above what you're doing now in a density bonus program, but there's still some refinement that we're doing that's ongoing, but just to give you a sense of where we might land. >> And for those who don't know, how much are we doing right now over the last -- >> Over the last -- you're doing approximately 145 units per year over the last so many years. Several bonus programs came in to use more recently, but run rate average would be about 150 units a year. >> So even if we doubled it we'd be doing 300 units a year, which would make it take a really long time to get to 60,000 if everyone was at 60 to 80%? >> That's very true, yeah. So the affordable housing density bonus program isn't going to solve the affordable housing crisis in Austin. As you saw in that stack of, you know, tools, the ways to achieve it, it's a small but important component, because the density bonus program doesn't require direct subsidy, right? So you're getting units by leveraging private investment, whereas most of the other tools actually

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require direct subsidy. >> So would limiting funding -- this is an important tool for providing subsidized housing in high-opportunity locations at a lower cost. Zero to the -- >> Tovo: But when you say subsidized, you're not -- >> These are locked in -- >> Tovo: They don't require public subsidy. >> They don't require -- >> Tovo: They're privately subsidized. Council member Flannigan? >> Flannigan: On the slides where you build up your bonuses and the previous slide where you list the new Zones where bonuses are potentially available, are what you've done in this example map on the second -- the second map slide, are you mapping where those bonuses potentially available Zones are already in the draft map or where you think they should be in the draft map? >> That is where they are in the draft map today. The draft map that is available corresponds to what you see on the screen. >> Flannigan: I would suggest you reach out to my staff because there are some mistakes in my district, charted areas that are vldr as having density bonus potential, huge areas of vldr. So I think there's some -- for me there's some confusion on the map, but it's -- sometimes I find these are not intended to be -- these are more instructive in example and they're not intended to be specific, so I think if there's more detail around what you're suggesting, I'd like to see it. >> Absolutely. I mean, these are diagrams, intended to impart a high level -- >> Tovo: Council member Houston has a question, council member kitchen does, and then how much more of your presentation do you have remaining? I ask that because we had slated this for sort of general questions to you. This piece, it's my understanding, we won't need to provide comments on until a little bit later because you haven't released the actual chapter of code. And so I'm quite keen to get to the section where we ask questions about the code that -- for which you do

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need comments back at this point by June 7. But council member Houston, kitchen and if you could help us understand how much more of the presentation there is. >> Houston: My question is very quickly, I've asked before, that if you give us north-south orientation, because we don't have the presentation, and I can't see that far to be able to tell where you're talking about. I just -- they look like blobs. So you never say north and south or east or west, so that I can or yep myself to where we are -- orient myself to where we are in the city. >> My apology. Those were all oriented north and they were representations of the broader city, and the bonus areas, the sort of darkened areas, were just representative of the land area where bonuses would apply, and again they were diagrams. So I apologize for not having the north area for you. >> Tovo: Council member kitchen? >> Kitchen: Just for clarity so we're all aware of the timing for this, so my understanding is that -- that this -- that the bonus program we'll have to adopt, and that comes back to us June-ish, so to speak. So I wanted to clarify that. And then I had a question about the map. So I don't know if it -- Mr. Guernsey needs to answer that question about when it comes to the council for decision or who can answer that question. Mayor, my question was, I wanted to be clear about when the proposed density bonus program comes to the council for adoption. >> I can chime in a little bit and then Greg can add. So the draft is going to come out mid-June, the next set of maps, but that will just be a public review draft. It won't come to council for adoption -- it will come with the whole code. >> Kitchen: That was my question. >> The whole code imagine. >> Kitchen: My question related to the mapping. It looked to me from looking at the maps are -- or just that you had here and I don't know if this was the intention, that we were

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seeing geographic areas that have potential for the density bonus program throughout the city. In other words, that they were not -- they were not Zones alone, that they were throughout the city. Is that correct? >> There are density bonuses in both some transect Zones and some use-based Zones. >> Kitchen: Okay, that's what I wanted to -- >> Wherever those are mapped there would be a bonus offered. >> Kitchen: Okay. Thank you. >> Mayor Adler: Okay. Mr. Casar? >> Casar: I appreciate that in this presentation you did talk about potential a little a affordability and some missing affordability types. I would remind my colleagues and staff and consultants that I think in something like November or December of 2015, it's over a year and a half ago, we did ask for fair housing impact analysis related to the different housing types that are being proposed in the code, and I think that you're alluding to some of that in your presentation, but I think getting as specific as we can about the potential affordability, integration impacts of those, smaller housing types, would be useful. And I think it's one of the few resolutions that the council passed since we were seated up to now related to more detail that we wanted from the staff and the consultants in this work. So I'd just fly that as a reminder. And also I'd be interested in understanding where it is ultimate -- ultimately we know the site map, where density

bonus programs are relocated, which is important to understand, both in use and transect zone areas. Why it is that we chose particular areas, and you don't have to explain that now, but when it comes to us, really why it is you chose particular areas, I understand that you would be weighing market potential, but I also am interested also in that sort of fair housing and integration portion of the work because it seems like a key reason we do these is to create income restricted housing in

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high opportunity areas. And so I would be interested in knowing if we chose this area or didn't choose a particular area, why was it? Was it because we didn't think the market could bring it or is it for some other reason, just because I want to make sure that we are using this admittedly limited tool to its maximum capacity, and if we're deciding not to map it in any other place, it would be really helpful to know why. I know none of those are particularly framed as a question but I think I want to daylight those two sort of key issues for me. >> Mayor Adler: Yes. >> So one more element to the presentation and that's actually building on council alter's comment, the density bonus program is able to provide some movement in terms of addressing the critical situation we're now facing in terms of affordability. There are ways where you have a toolkit, we think, to go even further in addressing that issue. So that's what this portion of the presentation is. It's probably about six or so minutes. So -- again, fairly -- try not to knock this over. My colleagues have been speaking about the density bonus element. I'll be speaking about the other incentives that you can possibly use to address the 40,000 units that are being targeted. We took a look at a range of tools that I'll share with you in just a minute, and we put them through a filter, are those tools legal, which ones really generate greatest number of units and which ones do you have that are underutilized that could be utilized more robustly. This is the range of tools we looked at. Those that are identified in green, you're already using to one degree or another, or you are considering. The other ones are currently not necessarily in reach. We wanted to hone in on using three tools to demonstrate how you can layer those tools to have a greater impact, and we broke

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these tools up into pools that are limited to certain kind of geography, such as the bonus program, and tax increment and a number of others, and then you've got some tools that are available on a citywide basis, your affordable housing bonds, the strike fund. The one we wanted to focus on is the possibility of a multi-unit property tax exemption, again all building on the bonus program. One important to mention, we mentioned tax increment. We looked at tax increment from the perspective of a district. The way that Dallas does it in its tod district, the way Houston does it for its neighborhoods where you're collecting the Normal property tax, your portion of the property tax that is generated once the

district is created and then that money is recycled into that geography for specific projects, which can include infrastructure, and it can also include housing affordability. Okay, so again the target, 60% mfi. If -- let's see. Back up over here. I think we're missing a slide. Okay. All right. So we ended up modeling a hypothetical project, project that -- work in a base zone that allows three-story building, two over one, creating 75 units with one parking space. And again, trying to -- okay. We looked at your current market data to construct that unit, and by the way we had a chance to vet these numbers with some people in the development community as well, so staff in terms of the construction costs, the rents and so on. Key element here is that there has to be enough land value for a developer to be able to acquire that site from a private owner to build anything, so we looked at the hypothetical site that's relatively close in, \$90 a square foot or \$3.1 million an acre. If you were to apply the density bonus in that, what would it result in? You would have an increase of 17 total units, 24% would

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be at 24% of mfi and that's four units. We also decided that -- we also thought it would be helpful to look at what happens if you have -- that have density program take place within a tif district, what else could you do? You could apply a tif grant or a tif loan that picks up 25% of the construction cost. You can see that the resulting number of affordable units of those increases by eight to a total of 12. And we also wanted to factner what could you do if you could make an existing program that you have, namely the ability to tax abate affordable units which you now do for units that are owned by northwesterns, can you apply that to the affordable units within a mixed income development, and we tried to take also a bolder step, what happens if you were to abate all the units in a particular building which some cities do, a blank slate. So here's a bar chart that I think is pretty constructive. You get four units out of 17. If you lay the tif front in you get 12 units. If you were to abate the city portion of the property tax and the mixed income for the affordable units you have 13 units. If you bring the county in you get another unit. If you wanted to take the bolder measure and abate the entire building, which a number of cities do, you exceed the expectation in terms of targeted units. And if you can do they units you end up with a range of others. He want to look at the base case of what this would be. The city portion of the property tax is \$384,000. If you apply the density

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bonus alone you go up to 467,000. And if you use the abatement program and abate just those affordable units that are created by that bundling you still end up ahead from a fiscal perspective. I wanted to provide a couple of quick case study examples, the pearl district in Portland because I think it's relative -- this is what it used to look like in 1977, 1978. A lot of buildings that were pretty marginal.

And this is what it looks like now. This is the -- the pearl district is part of an urban renewal district that is 460 acres, again, tax increment district. It is able to generate \$435 million of tax increment that can be provided and has been provided to help build parks, help build a street car and to inject money into housing affordability. The goal of the pearl is 25% of the units would be affordable and that's in a variety of buildings. Some are totally affordable, others are mixed income. The current status is 22%. Of the 8,000 units in the pearl, 760, geography that's 460 acres, 1760 units are affordable at different dimensions. So the kinds of tools that were used there, you can see the development agreements, the various use of the tif funds, the land write downs and in certain cases low income housing tax credits. If we had more time here we could go through polling. Polling is not always accurate, though, so I will give you the answer to these questions. Here are four different housing properties. Which ones are affordable, which are not? The top two are totally market rate units. The two bottom ones are mixed income and by the way, privately held mixed income units. 40% of the units are available to folks at 60% or below. The same is true here, which ones are affordable, which ones are not. In this case there is only one totally market rate unit and it was the

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microunits, 230 square feet. We have smaller ones, but those are the ones that are shown here. That Richard Harris had a tif grant of \$12 million out of a 30 some-odd-million-dollar project, so it's zero to 30% mfi. And the others were blends of various resources that you saw all in the pearl. Another concept that's being pursued there on a 40,000 square foot site, less than one acre, is to build a hi-rise building by the same developer and to build a wood frame building next door because it costs less to do the wood frame building. They share the parking space and a park between them. The potential to do affordable units in the wood frame building because it costs less or to put some of the smaller affordable units into the hi-rise is something that we think is worth looking at. Our sense is you've got a very similar opportunity on the south central waterfront. You recently adopted the south central waterfront plan that calls for the development of a sustainable, urban mixed use, mixed income neighborhood along the waterfront. We looked at the potential of going from your 1300 units, none of which are affordable, to over 3,000 units which of over 58900 can be affordable, at a range of 80% and above, by using a blend of tools that included of course tax increment, your parking fund and public improvement district. You can get to a deeper level of affordability on publicly owned sites. It's sufficient when land is in that area in all likelihood selling for 125 or 125 or \$150 a foot. So you from our perspective have these opportunities use these layered approaches to take a deeper penetration into the affordable housing challenge that you have. >> Mayor Adler: Thank you. >> Questions? >> Mayor Adler: Ms. Pool? >> Thanks, Mr. Farcus for that presentation. In looking at the pearl with the additional multiunit buildings were

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built, what provision for parkland were you concerned about? >> So there were no parks in the pearl. You saw that earlier picture, 70 acres of railroad yard. So there's a development agreement struck with the single largest owner there and that agreement called for the construction of three parks, two one acre parks, and then one would be a larger park because we did anticipate that initially it would be singles and couples that would move there, but eventually they would proceed create and want opportunities to have a larger playground to a two acre park was built. Three parks, a total of four acres. >> Pool: That's one of the things we're wrestling with in Austin is the ratio of open space to housing units. And I am very concerned that we're not making sufficient provision for the open space because the more people you have in a smaller area I think the more important it is for them to have the open space in order to be out and be outdoors. Was that essentially the theory you were following? >> Yes. We did work with the parks bureau because it had a ratio of open space to parks that was initially generated by the general population, that was spread out like your population and we wanted to create one that was more urban. I can't recall the ratio off the top of my head, but four acres were there and paid for through the tax increment. >> Pool: If you have anything on the ratio that would be great. Thanks. >> One other thing on that topic, one of the thanks of active districts is you can think as a district rather than thinking project by project. So you can have foresight and provide a signature, set of signature parks rather than a little tiny carveout of each park, which is really important. >> Mr. Casar? >> For expansion of our tax increment finance or affordable housing exemption tools, which you said we don't have lots of, but what we have some of already, so I think it would be an expansion of each of those.

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That's not within the land development code itself. So I guess the question is for us to maximize the program that y'all are presenting to us through density bonus and other tools, are y'all coming to us with recommendations on how to change the other parts of our policy or is that something that our housing staff knows and that we should do concurrently or before? How does the sequencing work so that we maximize what it is you are doing and y'all aren't coming up on something based on the assumption that we're not willing to do these things if we might be willing to do some portion of them. >> So we were tasked at the beginning to obviously focus on the on code and what can be done on the bouncing program. -- Bonussing program. Part of the instruction that we were given is to identify the other tools that could be utilized that could be complementary and complement your land use side. Many of the programs around the area have these programs. And -- [indiscernible] As is Lisa. You can only go so far with the cone and the -- code and the bonus program. Whether it's tax increment, strike fund, land write downs, community land trust, but utilizing other programs to basically help achieve their goals. So we will have those recommendations in there. We know you've got limits on the amount of land that you can put into tax increment and we're cognizant of that. We've again done work in Dallas and in

Houston and San Antonio where they do tend to utilize more of their tax incremental indication and still have good bond rating because we know that's important to you. >> >> Casar: So would those be recommendations that come with the more details you bring in June? Because I'm thinking about the timing of it to understand when we need to start analyzing some of those other tools because if the utilization of those tools changes the metrics of what you

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deliver. >> Yeah, we could do that. >> Casar: We want to know which goes first. >> Yeah. And I think one of the things from our perspective is that the density bonus program can only go so far. And only so deep in terms of the income levels, right? So implementing a package of tools is greater than the sum of its part, the achievement that can be had. And from council's perspective, my perspective is that you could lean in harder on these other aspects that aren't specifically in the code itself. >> Casar: Right, because I think the question might be if we're implementing a density bonus program in a high opportunity area that your market studies show could only get us to, say, 80% of mfi. There may be some question about whether or not -- how worth it it is, if we should do it. But if we're pairing it with a tif district in that area, as an example, then we might actually be implementing something that can get people down to 60 or 50%. And I might be more interested in knowing that upfront as opposed to trying to fix that. >> Absolutely. We definitely can do that in June. And one key area that does stand out for us is your south central waterfront area, which again you've got basically a small area plan that you've adopted and it has significant potential because it's woefully underdeveloped and there's no public land in there right now. >> Casar: Thanks. >> Mayor Adler: Ms. Kitchen? >> Kitchen: This may be a question for our staff, but I recall that we engaged a consultant to do a study of our options with regard to tifs as it relates to the corridors. And we had that conversation back in the spring where we were talking about the mobility bond. And I don't recall, and it may just be that I missed it, that we had a discussion about the results of that study. Do you know -- am I

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making sense? I think we had talked to Greg Canally about it at the time. Mr. Goode, I'm not sure if you're familiar with what I'm talking about. >> We're still working on that program and we're still completing it. >> Do we have an estimated timeline when the result of that study will be done? >> We should be -- we bring this back to you in October for the metrics. We'll certainly have it done in that time frame. >> Kitchen: All right. That's -- studying the tifs, I know that's in regard to the mobility bond and the corridors, but we should be aligning what we do with that review of tifs with what we're talking about with regard to affordable housing and codenext. >> Sure. >> Kitchen: And my second question is --

this may be a question for later, but I think one thing about density bonus programs and I think you guys will probably address it in your report back to us is there's been some concern about -- that it doesn't appear to be working all that well here in our existing areas. So understanding why would be something that would be useful information for us. >> Yeah. I just want to clarify something I said earlier. When we're looking at the estimates for affordable housing density bonus unit production, those are in the areas that we have chosen to map with something else. And so those don't even include the areas like the plans on east Riverside, north Paris gateway. There have been issues identified in the area that we hope we have the identity to clean up. There are a few paths forward that we'll be leaning into here soon. That's an acknowledgment that we have here as well. >> Mayor Adler: Mayor pro tem?

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>> Tovo: I have a quick question that relates to others that I have generally that I will ask for later. Thank you for this information. I certainly will have more questions, but it will make more sense to me once we have the chapter and can actually read through it. Can you help me understand the extent to which you are commenting on proposals with the land development code? One thing that certainly I've heard people comment on is the fact that significant numbers of single-family properties have been proposed for very significant jump in entitlements to what maps loosely to mf 2, 3, 4. And what Tran secretaries in that other zoning. I wonder if you could comment on that. Why those jumps in zoning entitlements are proposed to be accompanied by density bonus provisions? >> So I think that's -- to break into two parts. Have we weighed in? We have certainly weigh in on what each zone entitle meant opportunities might be. We have also provided market data that we've gathered to calibrate the density bonus to the mapping teams to calibrate where they've lockharted certain Zones and I would have to turn over the second part. Probably Alex is the best person to answer the question about why certain Zones were located in certain locations? >> Tovo: And I will ask that question in a little while in a more general way once we get to the more general part of the discussion, but it sounds as if you cannot -- your team did not weigh in on necessarily on the mapping and whether or not there was an opportunity for keeping it at a lower zoning classification with the

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opportunity for a density bonus rather than build those entitlements into the proposed maps. >> I want to clarify so I understand what you're talking about. So you're talking about areas that were in an mf designation that became something else? >> Tovo: Let me say that I might be talking about a variety of zoning classifications. It's still not clear to me whether that's a change in entitlements to vmu. I haven't had Austin opportunity and neither are anybody sharing it with me has had a chance to track down

whether there's a change in entitlements in that regard. But those properties that are currently sf 3 appear as single-family 3 in the land use areas, but shown as Tran sect four. So you've built in a very big jump in entitlements without a corresponding affordability requirement. >> So if I understand. >> Because it is very helpful to be specific because the changes in entitlements it be specific. >> Tovo: I can give you any one of a number of examples. We could, for example, start with the area in Bouldin creek, single-family 3, listed as single-family 3 in the future. It's listed as trans sect 4. This was the subject of an article in the newspaper, is an area between south first and south congress. So that's currently sf 3. It's been mapped as T 4 which you all described as a multi-family category equating loosely to mf 2, 3 and 4. So typically in the past when we've offered opportunities for is such a jump in entitlement there's been a part of affordability

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in that entitlement. >> So we ran countless pro Formas to try to figure out within each of the Zones is there really an opportunity to do a bonus program which formalizes the ask in terms of affordability. So it's a capital a affordable care act. It's income recontracontradicted. There's this other set of objectives that is lower case accessibility, T 4 is a good example of that. From the street it looks like a house, but it's actually multiple units and functions in a way that provides less expensive housing, but not formalized affordability. So there's multiple objectives with affordability there. >> But I guess the answer to my question about whether your team weighed in on those decisions, it sounds like sort of no. >> And when we saw the mapping and we could react to it, we are talking about a T 4 capital a affordability density bonus opportunity. That is something that we're discussing and the maps that I showed you do reflect that. T 4 certain building types may have an opportunity, certain building types allowed within the T 4 Zones, not all building types within the 4 four Zones may have an opportunity for density bonus going forward, given where they were located on the maps. So it was back and forth, there is an iterative process where we're building -- >> Those would be -- those would be additional entitlements on top of what is already within the T 4 to access that density bonus. I was talking about the delta between the existing entitlements at single-family 3 and -- you are talking about some of the T 4 might indeed be identified as opportunities for increased entitlements. >> Or you could only

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achieve the entitlements that would be offered if you provided affordability within that building form. So that's another way of looking at it is not additional entitlements in some cases, but really that you could achieve the maximum entitlements in some cases. By providing the affordability. And that's the case in many of our proposals where we're talking about not offering an increase in F.A.R., for example,

but actually offering an increase in units per acre that someone could build within the same form that they're allowed to build today more units. It's a very concrete example from the use base Zones where F.A.R. is a constraint and units per acre also a more binding constraint, we would offer the opportunity for people to build more units in the same form only if they provided these market rate and affordable units in the same building essentially. >> Tovo: So will the information that you complete by mid June actually modify some of what is currently in the code text? Is it in addition to sore does it actually modify some of the existing Zones that we have in here? There are a lot of notes throughout the draft text that identify places where the entitlements would only be achieved within the -- with the affordable bonus and then there are other places where we are contemplating extending that sort of effect, that notation where that intensity of use on the land would only be available with the affordable bonus program. So it would be some text modifications responding to the mapping and other factors. >> Tovo: Okay. That wasn't apparent to

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me. I see the notes throughout and a complete understanding of that code text is only going to be possible after we see your piece, but it seems to me that that will actually modify this in case that we can't easily identify as we read through the code text now because they are not noted. >> To boil it down to its simplest form, if you take a zone and the buildings within that form and the draft text, within the building form that we describe in the form there's some affordability in that. So it's not like there will be radical changes to the form of the buildings. Does that make sense. So within the building parameters that we've laid out in the draft code, so portion of that will be affordable. That's the calibration process that's ongoing. So there's not going to be huge surprises and vacillations in the building forms. >> Tovo: I understand what you're saying. I'm trying to get to a point where I figure out sort of what I need to read to completely understand this. And the thousands of people we represent are asking the same question. We're all swimming in piles and piles of code information. >> I want to get back to something you said about what -- the work of the affordable housing discussion has influenced the mapping. There were a lot of back and forths in terms of the data and an understanding of where the density bonus programs would be effective, that was -- that directly influenced as one of many factors that influenced where we contemplated applying Zones that would have a density bonus component to them. So there was very much an iterative process of where can we achieve affordable housing outcomes and where should that be on the map? >> Alter: Can I clarify on that same point because I have a lot of areas that are going from sf 3 to T 4 N as well. So if what I'm

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understanding -- tell me if this is correct. You're saying in this next section that's going to come out, within the envelope that's already been presented to us for height and a number of units, a portion of that will only be allowed if you have affordable big a. In order to get the affordability you will be adding each more density? >> We will not be adding more height or bulk in any of our proposals that we're contemplating within the T 4 Zones. >> Alter: But if I didn't have that big a affordability as part of my project to go say from my house, which can now go to eight units, I wouldn't be able to build it to eight units? >> That's correct. You would not be able to build the 80 units unless you met one of the qualifications, build the units in the building, pay a fee, build those affordable units off site within the specified maximum distance and then you could achieve the opportunities presented in the draft text? >> As we're creating these entitlements with codenext, we're now going to be adding in this layer that is going to incentivize the affordability as part of that so that you're not getting that full entitlement kind of overnight? >> Correct. And in some cases that's required modifications to things like the maximum number of units, which is the base and which is the bonus. >> Alter: But that's already-- >> The maximum is already in there, but in order to get to the maximum there's community trade-offs and one is affordable housing. >> Alter: Thank you. >> Mayor Adler: Was there something you wanted to say? Your light's on. I don't know if that signified you wanted to -- signified that you wanted to talk. >> Tovo: I'm looking at neighborhood

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intermediary set back. I don't see a note in there suggesting -- unless I'm missing it, suggesting that there will be an affordability component to achieve what is laid out in that section. >> That is an example where there was not a note, there wasn't an anticipation, but when we saw it mapped we saw an opportunity for the high opportunity areas because it was being mapped to high opportunity areas. So we looked at the option of where there's T 4 could we provide for affordability in those locations using the code and not relying on the other suite of tools to basically subsidize through government funds very expensive housing units in these high opportunity locations. >> Tovo: So none of what you've laid out here or the code has laid out here would change in terms of the number of units or the form or anything like that. There would just be an affordability requirement as part of what is described as T 4 and is. >> I can't see what you're reading, but in my recollection we are contemplating the possibility of more units in the same form. >> Tovo: More units than is currently contemplated. >> In certain Zones and I can't recall whether it was T 4 and is. I can't recall. >> Tovo: So you were asking I think a similar question. It sounds like there would be alterations to what is possible in let's just say T 4, not beyond what is described in the current code once we get the affordability. That there would be alterations with an affordability component? >> Correct. There would not be any at traces to the code be it impervious cover, other requirements that

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need to be met. This would really be about the density bonus within the same form and almost every case that we're discussing it is always within the same form even in the use based Zones. We're not talking about additional height necessarily in most cases, we're talking about more units per acre, but within the same form, perhaps more F.A.R. Within the same height. But again really continuing to restrict some of the other essential elements of the code, like impervious cover building cover and other factors that we have help regulate and create the character that people want out of the particular Zones that we're requiring. >> Alter: I'm going to refrain from that last phrase because I think there are a lot of differences of opinion about the character that people want in those Zones. But what you just said was the exact opposite of what you had sewed to me if I'm understanding correctly is you're now saying -- I want to be clear because people are trying to understand this. You're now saying that there may be increases in the number of units that would come with the affordability which when I asked my question I was told there would be no increase, it was already within the envelope that was there. >> There's a distinction between the form, like the layperson on the street, what they see and the mass and the form. And the tech in a kel definition of I can do this many units. So from outward appearances the form doesn't change because it's a neighborhood type and we're sensitive to that. >> You would still require all of the elements, front doors, bulk, set back, build to lines, all of that would remain the same. The numbers that could change and to clarify something that Alex did say, the numbers that might change in particular the T 4 Zones would be this max number of units in certain dwelling and certain building types where we are contemplating the opportunity to seek more

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affordability by offering the developer the right to build more units in that same form. In many cases that's about -- >> Alter: So about a larger number of units with a smaller size you would be able to do it. >> Some Zones it stays from four to eight. We would set the base, for example, at like four and the bonus would be eight. In other cases we're looking at building forms where we would say today the code says something to the effect of 12 units and we're looking at an increase in that number of 12 because the form could accommodate it and still provide market feasible units. And yes, if you were to actually build to the full extent with that number of units, the implication would be that the units would get smaller. But in some of these forms we're talking about the ability to build very large units and so we're actually allowing the developers to build units that are more in keeping with the market in many cases. >> Alter: I guess we're trying to understand as we're trying to move forward, it could change the number of units for a T 4 nis could be increased as you introduce the affordability beyond that four or eight or whatever that's in there right now. >> I'll just say yes it could change. I don't know the details on 4 nis off the top of my head. >> But the reason is the program is ongoing is important because if we set it at eight and we actually can't achieve affordability at eight, you know, we want to see what you would need to achieve affordability and then you can have a community conversation about if it's 10, if 10 is

the magic number, is that acceptable to achieve the community benefit, which is affordable housing. >> Alter: I think it's important for us to be able to communicate to our constituents who are already concerned about the increase in density from sf 3 to T 4 nis that they need to be watching this as they go through because there's an interest in

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introducing the affordability to get this higher number of units. And that I don't think has been clear on top of what's already there in these areas that are already trying to absorb what that change means. >> Mayor Adler: Ms. Pool is next. >> Pool: So something that you said a little bit ago was that the affordable units could be offered off site. So that seems to be contrary to what you were then talking about having the same form, but instead of a single-family house now you can have 10 units, say it's a 2,000 square foot footprint for single-family and then it becomes a T 4 nis and you have 10 units in there that are 1200 sweet. So I'm not following whether the affordability is on the site or somewhere else. And if it's somewhere else what radius -- what distance -- >> Are you talking about under the current code on a hypothetical parcel where it's zoned for single-family and that hypothetical parcel gets zoned to T 4. >> Pool: I'm talking about the same example that councilmember alter and the mayor pro tem were talking about, which is yes, sf 3 that has now increased entitlements under the T 4 nis. >> If that parcel did exist and there was an sf 3, it was a true single-family and you're then allowed to build a T 4, the idea would be that as it's presented in the draft text you would be able to build a building that's still is restricted in its form to be something that looks like a single-family building. Within that form you would be able to build more than one unit under

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the new code. Those units would be smaller and they would be smaller and therefore more affordable to rent. And we are talking about a density bonus application within that which would further restrict the rents most likely to a deeper level of affordability over a longer period of time. So we're talking over decades that some of those units would be affordable. The developer would have the option, as you said, we are contemplating a policy where the developer would have the option to deliver those affordable units somewhere else, but those small units would still exist on that site within that single-family form that would be smaller and what many people would call naturally occurring affordable housing. >> Pool: So let me dig into the distance off site piece P how far do you contemplate that? >> It's still a work in progress and we're looking at what could work given where some of these Zones are mapped. You know, what distance might be feasible, and we want to restrict it because the whole point of this program is to be sure that affordable units are built in areas of opportunity. So we are talking

about a policy where we don't allow -- >> Pool: Which is why I was homing in on what appeared to be a contribution because if you're talk -- to a contradiction. Because if you're talking about high quality areas and the policy, I thought we made the policy. Then you are allowing them to be built elsewhere when in fact the whole idea of increasing the intensity of the density was to provide the housing in parts of town that are seen as the better places to have them. >> I think Abe showed a slide that's a very good

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example of what sometimes is meant as off site and it depends on the city. There's some cities that would allow the development to occur within a half mile. In other cases it may be that someone is wanting to build a condo tower which is a very expensive proposition given construction costs. But could build a building nearby that is built of wood instead of concrete, is more feasible to build, and could then deliver the density bonus effectively. Rather than opt not to build a bonus at all. And to not build more housing, both market rate and affordable in a high opportunity location. So in the case that Abe showed, we have examples where it is in the same block even where the off-site affordable units are being provided, could be one block over. In some cities the policy is within a mile, half mile. That's what we are trying to understand given the local context and the maps that have been Braun, where it's reasonable to think of off-site provision and where development might be able to occur. >> Pool: So I don't know which one of you folks would be the best one to answer this question, but one of the real deep concerns that I'm hearing from my residents is the increase to their property taxes in their neighborhood simply by the changes to the zoning because you are adding an incredible new level of entitle meant on each of those properties. Acknowledging that Colorado is different than Texas as far as its state laws, what effects have you seen on the changes to property valuations and how have people been able to respond to that? Because right now we only get the majority of our revenue from property taxes, that is a big slice of the tax bill that people in

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Texas have to pay. We don't have an income tax. I don't think Colorado does either. >> So councilmember, this question has come up periodically and what we have been told by the appraisal district is they base their valuations on information that they receive on sales, if they can obtain it, on existing land uses. Not necessarily speculative on the zoning. It's purely based on the property. We can probably follow up and get council some additional information on that, but simply giving value based on the zoning isn't what we understand the Travis county appraisal district bases the value of a property on. >> Pool: I think it changes the comparables if you have one home in the middle of a neighborhood street that changes and vastly increases the value of that home in relation to the homes around it simply

by being a new structure. >> Yes. That would be an existing condition and they would take a look at that, but not necessarily just purely on the basis of zoning. >> Pool: So I'm looking at cascading consequences. The minute we change the zoning and the entitlements that are available across the city, then people will realize that they may have an increased amount of money that they can sell for and so they sell. And then whoever buys it has to get a certain return on investment for having paid the higher valuation and then that begins the real gentrification, I think, was central part of the city that we've already seen on the east side of town. And I think that the pace of that is going to be extraordinarily quick. So what experience have you had in your profession with the results of the increased entitlements on neighborhoods and the resulting property tax valuations? >> Well, I think it's

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just important to acknowledge that changes in property taxes are tied to several things. One of which is desirability. And the amount someone is willing to pay to be close in and walkable neighborhoods of Austin. And that has been -- the pace of that change that be extraordinary for a decade or more under the old code. One of the outcomes of a code change like this is to provide housing types that are cheaper, less expensive, whether they are capital a affordability or lower case affordability. So that you don't only have the option of buying a single-family home in neighborhoods, which right now property taxes are accelerating faster than people's mortgages in some cases for long-term residents. So if there are more opportunities for less expensive housing then those property taxes would be less. >> Pool: Can you tell me where you've seen that happen? Where the new housing that has been built is cheaper than the home that's been replaced? Can you -- >> Replacing a 100-year-old structure with a new structure, the new structure is going to be more expensive, it's new. But if you're comparing a single-family home and one unit in a quad plex, say, there's no comparison the single-family home is going to be a half million, 6 Hupp thousand, and a unit in the quad plex will be less than that. It will be less to buy, but the property taxes will also be less per unit. Does that make sense? Because the value of that unit is less. >> Pool: F course it makes sense theoretically, but I'm asking for actual examples of where that's occurred. Because that's not what we're seeing here. We're seeing homes not 100 years old, we're seeing maybe 50-year-old homes that are reasonably sized being demolished and larger multi-family structures are being built. And whether they're for sale or for rent, the

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fact is that family no longer lives there because their home is gone. And they probably can't afford to live in the new structure that has been built to replace it. And we have seen repeated examples of that in Austin. That's why we're so concerned about what's going on. And you don't have to answer me now,

but I would like -- and I've been asking for this for a couple of years now. I would like to see concrete examples where in fact the new structures that were built are delivering a lower cost to the residents in comparison to where they lived previously. And I'd also like to know that the residents who were displaced were able to live in that same area because I also don't think that's happening, not here in Austin. And it's a huge concern to me and others on this dais. People are having to move out of town because their homes, they can't afford to live in that part of town anymore. It's just too expensive. >> Mayor Adler: We have a few more people and we're going to run out of time here. So let me pass it around. I think Mr. Flannigan is next and then Mr. Casar? >> Flannigan: I have a quick one. When we talk about on-site versus off site affordability, what I've heard you say is that the developer would be required to build a second building to create that affordability. Would it also be possible to buy-down existing units in older buildings? >> Not as a policy conversation that we've had. And it's not an option that we have settled on fully. It is an option that we've contemplated. One of the critical factors with buying another building is both compliance and enforcement and the quality of that building and how it can be guaranteed that that affordable unit is of a certain quality whereas newly built construction has the advantage of

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going through an entire city process that assures its quality and its longevity. So that is a policy question that we're still wrestling with. >> Flannigan: It's just the math on that, we've seen some of these other projects come through and the cost that gets delineated out for making one unit affordable, 200, \$250,000, you could probably get two units in an older building. So I'm just -- I'm curious to kind of explore that. And I agree with the geographic constraint to it and we want to make sure we have mixed income neighborhoods and all that. I think it's an interesting approach. >> Mayor Adler: Mr. Casar? >> Casar: For the example of where this has worked and it's produced cheaper housing, I think we would just look at the first slides of the presentation today where it's happening in Austin, where attached housing in Austin is significantly cheaper than detached housing. I think it was the first or second slide of the presentation. And of course if we compare brand new attached housing to something that is not brand new then that's not an apples to apples comparison but we're trying to put together a code that will last decade long. So I think for the example you just look to attached housing that currently exists and for house form multi-family you just have to look at many of my neighborhoods north of 183 where you have two or three families living in a single-family dwelling that was once built for a wealthier single-family home buyer, but now are essentially living in house form multi-family housing. And it is some of the most affordable rental housing in great neighborhoods in the city. So I think that for me I'm looking less at what those other communities are doing and more at what is it that we have done that works and doesn't work. And I think that that's evident in the data that we have. I wanted to also tell

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y'all that I deeply appreciate y'all working on the outcome of trying to figure out how we get income restricted units in our neighborhoods off of our corridors, not just on the corridors, because our corridors are currently not the most family friendly place to live. I hope that through the bond program we can achieve that better, but some of the best places to live are not exactly right on the corridor. And so I would be interested in knowing what it would take to have modest, not big, but modest two bedroom income restricted units in some of those neighborhood spaces, and whether it -- then we can debate the details and work out the details afterwards, but if it requires some modest change in form or in number of units per acre or whatever it is, I would just want to know what that is. And then we can debate where it's appropriate and how it's appropriate and whether we want to change the form or the density or not. But is that something that we can know or find out from y'all like this is what it would take in this place if you wanted to be able to get not -- not thousand square foot, but modest two bedroom affordability in high opportunity neighborhoods, can y'all deliver to us what it would take if we wanted to actually expect that happening on the ground? >> So my sense is in all likelihood it would take an adjustment in the code, which would take time. It would be utilization of some your tools to get to the 60% mfi level in a number of cases, but that's again some of the testing that we're currently engaged in. We would be happy to provide you with any pro Formas that we run on this background information with all the you will assumption as that we're making so you can look at that for yourselves. >> Casar: And thank you for providing that and then we can decide where we want to do it and not do it. And where we want to try it out and not try it on out or whether we want to do it at all. I do appreciate y'all's hard work at at least

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showing us the option. >> Sure. >> Mayor Adler: Ms. Kitchen? >> Kitchen: Just a quick clarification on the specifics. I think I heard you right, but I'm not sure. So for example, the discussion we had earlier about the zoning categories, specifically we were talking about T 4, I think, and we talked about the fact that what you all were looking at is attaching or using some of those for the density bonus in the sense that, you know, if they provided affordable housing they could do an affordable number of units in the same form. So my question is -- two questions. So for that T 4, the change to that zoning category would only be made in the areas of town that are being marked for density bonus, not to the t4 zone itself, is that correct? >> We are anticipating that it would be for the zone, wherever it is applied in the city. >> Kitchen: All right. So I misunderstood that. So it's not just the areas that you're mapping as particularly areas to apply the density bonus program, but it would be wherever the t4 zone was used. >> Correct. >> Kitchen: So we also talked about the fact that the density bonus program would apply in the use areas, not just the transect areas. So for example, does that mean that the lmdr zoning category, for example, would be a loaning category where you would add that same principle in terms of the affordability and allow for a greater number of units, again, within the same form wherever lmdr is? Do

you see the question I'm asking? >> I do. I'm going to look at our little draft. >> Kitchen: I don't know if lmdr is the right zone to speak to, but the point is if we're going to apply the density bonus in both

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transect and non-transect areas I'm not sure which zoning category you would do that with in non-transect areas. >> There was one slide where we identified which Zones were contemplating for bonus and without. I believe -- because anything with L would be low, right? Would fall under the category of there would not be a density bonus. >> Kitchen: And what would the zoning category be in the non-transect areas that you would attach a density bonus to? >> I would we're contemplating it in the medium and up categories. Not with an L in front of it. >> Kitchen: Okay. But -- okay. But the same principle applies. It would be wherever that particular zoning category was used, right? >> Correct. >> There isn't a special boundary for application of density bonus programs. It's with the zone. >> Kitchen: That's what I'm asking. Okay. Thank you. >> Mayor Adler: I just want to point out just as a comment. I really appreciate you being here and going out to the community. I've been to multiple meetings around the community and I really appreciate the community that's getting engaged in the process at this point. I know that we only have just under a year to get this done, to stay on the schedule. I think the schedule is real important. So I appreciate everybody that's putting their shoulder to this and raising issues so that we can work through and change things and it can evolve and we end up in the best place that we can -- that we can get. You know, I continue to be concerned about trying to use this tool and it has certain limitations and we have to use other tools that we have to try to have a city that ensures affordability to whatever degree we can. Learn the lesson from other cities, most every other city that's gone ahead of us and acted too late or acted ineffectively. And I am concerned about the areas, especially those in the

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transitions, where if we don't do anything -- if no one ever changes anything and the house that's there just stays. The houses are becoming more and more unaffordable everyday. If we were just to preserve things, the values are just escalating way too quickly. And that's if we don't do anything. And I certainly see a lot of places in Austin where people are going in, it's a single-family lot, they can only build a single-family house on it, and they're tearing it down and putting up a new modern single-family house. That doesn't do anything but add to gentrification in those neighborhoods. So I think this, as with all things, is going to require balance in our city. We obviously have different people in the city that are coming at this from different places, but I'm encouraged and I hope I expect that as a community we'll be able to get from here to there in a way that serves everybody best. Mayor pro tem and then Ms. Houston? Then Ms. Houston and mayor pro tem. >> Houston: Thank you. And thank you again for all of

the information that you've provided. And yes, mayor, I agree that if we do nothing the same thing happens, but if we do the wrong thing the same thing happens that's happened in Portland and Seattle and Boston. And all of the things that we're betting our bucks on, Denver, Boulder, the answer to mayor pro tem's -- councilmember pool's question Wasner answered, where has this worked before? And you all never answered that. And I will take exception to the fact that it's working in Austin. It may be in some parts of Austin, but in the part of Austin where I live, where the bull's eye on on is the desired development zone, that's not working there. It's not working in multi-family and it's not working in housing because where we had four-plexes and duplexes and eight-plexes, those are no longer there. They've been torn down and we have two units, three story, that cost

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half a million dollars on those. So it doesn't work even in Austin. Maybe in some parts of Austin, but it's not working in the parts of Austin that I'm concerned about. So again, I'm not sure what the answer is. This is the answer that should have been started 20 years ago when we started to put the bull's-eye on Austin. And I don't know how you put that genie back in the box. And I don't know that it's responsible to say the community needs to make those decisions because as you come out to my place on the 13th, most of the people are not going to be able to talk to you in the same terms that you are talking to the city council and the other people that you're talking to. So I'm concerned. I'm hopeful, as the mayor says, we need to be hopeful because if we can't stop it here, then as we're trying to stop it, the same wave of gentrification and high priced housing is continuing to go on as we have tried to stop it today. Have we heard back from the April district where we were going to start -- she did a pilot, I think it was last year. Have we heard whether or not that's going to at some point be implemented? Because I think that's the only salvation is when we look at the new structures that mayor not compared to the old structures. >> Mayor Adler: And I think she had piloted it. I think they were rolling it out to do it more broadly, but let's find out. >> Houston: Could we find out about it? Because that's the only hope for people because as you go through my neighborhood now there's one little house. Soon that will be my house. And regardless of what you all say, I'm not moving. [Laughter]. I don't want a duplex, I don't want a tri plex, I don't want a four-plex on my lot, although I could do it. So people should still have options in this city and not -- and those not those options that you're laying out. So people should still be able to live in the city if they choose to

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do so in the homes that they currently live in. So I keep hearing about we need to change, but yes, we do need to change, but there's some people that want to stay like they are in their homes. So that's all I

needed to say. >> Mayor Adler: Time for a couple of quick closing kind of comments and then we'll take this break. I have a couple of housekeeping things after we've done that. Mayor pro tem. >> Tovo: Yeah, thanks, mayor, I know you need to leave so I'll make mine short. I have a slew of questions that I wasn't able to do so. I'll ask the city manager the sooner we get the formal question and answer process going the better. One of the questions I am going to ask is related to the conversation we had last time, asking for where those estimated -- I think we had a conversation about getting those estimated housing numbers by district and I've refined that question a little bit so that if you could also help us understand where those are by neighborhood planning areas and if you could also break down how your projections map to how many of those are expected to be achieved through new subdivisions, also I did this formally, but I'm talking through it. How many would be demolition and complete redevelopment and how many are you proposing will result from codenext proposal for design sites and then overlay that with both our neighborhood planning areas, but also our homestead preservation districts, either existing or contemplated, our national register of historic districts, our local historic districts. And also areas adjacent to schools. In looking through the map, at this point I'm not even familiar with the changes in my district because they're really proposed to be quite, quite significant. But in looking at some of the other districts I notice, for example, around Zavala and some of the other elementary schools in east Austin that have suffered from decreasing enrollment, some of those residential properties are also proposed to take a very big jump in entitlements. So one question that many, many of my

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constituents have asked since the maps came out is how this -- how all of those factors that I just read, their proximity to or their location within the national register historic district or their location near the school, how those considerations were factored into some of the recommendations, but I think we are - - I am hearing concerns about the extent to which those big jumps in entitlement will increase and incentivize the demolition of existing housing. I represent a lot of central city neighborhoods that already have quite a bit of middle -- missing middle housing. I live across the street from a 100-year-old house that currently has two different apartment units, possibly three. Those are really family sized a right now. If they suddenly can produce at least eight units on that tract, possibly more through a density bonus, they will be smaller units. And I think we are already experiencing in many areas of our town, including the ones I mentioned near Zavala and others declining, families with kids, if we are adopting a zoning code that's incentivizing the demolition of existing housing, I think we will see the consequences of that on a couple of fronts, one in terms of our schools, two in terms of the increase in housing costs. And the displacement of current residents as councilmember Houston alluded to. So that's -- I hope to get a little bit of clarity around those estimated housing projected numbers and some other things in there. And then I have another big question, but I think the mayor needs to leave. I mean, the other big question that I've heard many constituents ask me, they've asked it to you when you've come to planning commission and to some of the other groups is why if the guiding principles in

proposing the new code were neighborhood planning -- neighborhood neighborhood plans and the areas that had them and some of those other criteria, why have some of the projections veered so dramatically from what

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is the council adopted neighborhood plan in a significant number of neighborhoods? I heard you give an answer to the joint committee that talked about the market and market's interest in developing. As far as I know the council did not give a policy direction that differs from what we have in imagine Austin, which is that the code should follow the neighborhood plans in those areas that had them, they should strive to preserve existing neighborhoods and neighborhood character, and I think that's -- if there's one abiding concern I'm hearing from every part of my district, it's that one, that question of why in these areas are the jumps proposed to be so dramatic? >> Mayor Adler: Do you want to address that? >> I think it's worth a follow-up conversation to understand what the changes. Sometimes I'm not sure they're as dramatic as they seem. There's a balancing act. When we say we are going to look to current policy in the city to apply to zoning, there's a balancing act, and trade-offs between aspirations of imagine Austin and some policies on the ground. So, we have to come to a balance, and we have proposed in this draft map, what we think is a balance to achieve the housing objectives and other objectives of the city but now it's open for community discussion. It's not the end of the process but the beginning, so if there's changes that need to happen, we should understand what the consequences of those changes are, but now is the time to have those conversations. >> Tovo: I appreciate that and one of the conversations you responded to a particular concern about a neighborhood area that was changing from sf-4 to t-3 and this was in some ways an attempt to prompt conversation, we're having those conversations and, two, not just in terms of understanding the consequences of changes to the map, but the changes -- I mean, we need to well understand the

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consequences of adopting the changes that have been suggested as well >> Mayor Adler: Thank you, Mr. Casar? >> Casar: I want to be brief. In listening to councilwoman Houston's comment, listening. I take exception saying what we are doing now is working because in many parts of the district it's not and what is happening near the city is not acceptable. That's why I want to do something different. The comment, is that overall attached housing in this community is cheaper, not cheap enough than detached types and I think to council member Houston and Mayor pro tem's points I think it's important to see how we can see exciting attached housing and understanding over the course and life of the code, my understanding is that that is an achievable option for people, and I wish that we had as many --

even more ways, and stop getting banned in many ways making that housing even cheaper but given the world we live in, I'm trying to figure out what to do that's best, to find an unacceptable housing situation. I don't think what we're doing is working, it seems to the point, are there examples where attached housing is cheaper, than unattached housing. That example exists here. >> Can I say one thing? I wanted to clarify, you looked stumped when you asked us that question. Not that we have not worked in a lot of tats but every state is different. So it's not always Oranges and Oranges or apples and apples, I think we need to go back home and think where we worked and what is similar to those places in Austin and how we can tell that story a little better, because we have worked a lot of places but the fiscal models, enabling legislation what you can and can't do are completely

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different so it's not always the same >> Tovo: Of course not. I would like you to show us examines in Austin, primarily. >> Mayor Adler: Okay. So we're going to break and go into executive session. On Thursday, we have talked about having the calendar set originally from 3:00 to 5:00 but since zoning matters were set at 2:00, I scheduled the meeting to start at 2:00. Looking at that, I don't think it will go the full time between 2:00 to 4:00 which is the next time and we can call the next things so I think there's an opportunity to have an executive session on Thursday. I think the conversation we were going to have with our reports is relatively brief so I would suggest we ask them to be available in that 2:00 to 4:00-ish time frame on Thursday. I thought there was like a public hearing setting on Friday. Okay. Well, we'll have time to be able to do that. Executive session, sometimes between 2:00 and 4:00 this that time frame and we'll be able to hear them. >> So we're going into executive session? >> Mayor Adler: We're going into executive session right now. It will be relatively brief. I think the conversation is really good with these folks when consultants are in town. If we keep them on the counter and profit from having them there and ask questions from the community, I think that's really important. I do want to point out while we're having these conversations, that I pay particular attention to the desires on the folks on the council. As I read the lawsuit filed against us all yesterday, it specifically said that all changes in the city of Austin's policy are made only with the approval of mayor Adler, so, I want you to be diligent in considering the things that you bring forward. >> I'm sorry, so I'm clear and make sure this is absolutely clear, you are going to do the

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personnel executive sessions Thursday? >> Mayor Adler: Correct. >> So ask your people to be here to start at 2:00? >> Mayor Adler: Except for the manager. It's the three folks we asked to come back. >> May I clarify. The other item we said in executive session is continue discussion of open government

items. Since we're not doing that today, we need to do that Thursday. >> We actually have you going into executive session to talk about open government, a lawsuit, and do a real estate executive session, to -- or, we can do it Thursday if you prefer. >> We need everybody there to do the open government. >> Yes? >> I'm sorry, just one thing. The timing on Thursday, I think the city attorney said we would go -- asked whether we would go into executive session first. It's my understanding we go into agenda stuff first then go into executive session. >> One more clarification, you are going to come back and do the pay equity piece after the executive session? >> That's correct. So, city council will go into closed session and take up three items. I'll put government. City council will take up three items pursuant to 551 .07 of the government code, will discuss e-1, e-6, pursuant to 551072, the council will discuss real estate matters, e-6 which is the municipal golf course. Without objection, we will now go into executive session.

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>> Mayor Adler: All right. Are we ready? We're now out of closed session. In closed session we discussed legal matters related to items e-6 and real estate matters related to item e-7. It is 1:38. We are back in the boards and commissions here on may 9th. We're reconvening, we have a quorum, for the purpose of hearing the presentation about equity. Pay equity. Why don't you come on up and take us through it. I would point out to councilmembers that we're going to lose the city manager at 2:30 for a director's meeting and we're going to lose the consultant shortly thereafter. So we have probably about a little over an hour. For this presentation. >> Thank you, mayor and council. Joya hays, human resources director. I'm joined today by Debbie manor who is the assistant director over compensation who worked directly with our consultant for the completion of this analysis. And I'm also joined by a representative from Gallagher. Just as a setup, in 2014 there was a resolution passed asking the department of human resources to complete an annual annualization of the city's compensation practices using appropriate sample myths to ensure -- methods to ensure the city was using lawful criteria relative to our pay practices. In 2014 we had a very short turnaround time for that report. It was provided to you in 2015. We expanded that to evaluate not only race and gender, but also added age to that report. Last year when we met with you all to discuss the equity report we had a conversation based on the limitations of staff based on our lack of system,

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sophisticated human management system and some of the challenges we had in the manual wall labor that it took to complete that analysis. We also talked about transparency and building some transparency with employees to know and understand that we were being as authentic as possible in

our reporting on the equity information. So this year we decided to hire a consultant to come in and provide you that analysis in comparison to what we presented you in 2015. We asked -- this report is a little delayed from where you've annually received it for the last two years because we wanted to wait until after the implementation of our market study that was implemented in 2015 in August. So the data that you will be seeing today, some of it reflected prior to that, but most after that. So I'm very excited to present to you Michael verdorn, he has over 15 years of human resources experience. And Gallagher is a worldwide organization, very, very reputable in the human resources industry, utilized as an expert in pma, hr. They also have been identified as Forbes platinum best companies for two years, 2004 and 2005. So we feel very comfortable that we've received the best level of expertise as we go about this study. So at this point Michael will take you through the reports of the pay equity study. Michael? >> All right. Thanks very much for -- councilmembers, mayor, thanks very much for having me today. Appreciate the time. So I'll just jump right into this. As what Joya said, the city has been collecting and looking at this data in the past so we were charged with replicating what had been done in the past as well as trying to expand that and look at a deeper statistical level of potential pay equity issues and have it look at the systemic relationship, any systemic issues with regards to pay equity across city

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employees. So basically we provided kind of two different analysis, repeated the prior year studies and also did a more detailed statistical analysis so we'll walk you through both of those results and the steps that go into it. On the general comparison we reviewed the current pay equity condition with the data from previous years, confirmed and proved pay equity conditions compared to previous years. On the statistical side we used a statistical method to identify possible pay equity issues. Overall the city is doing well in pay equity. No pay discrimination found based on gender on a systemic level. Some issues were identified within specific departments on data levels that you can't possibly conclude any data analysis. So to just to touch on some of the highlights here, as you see in chart we compared prior year of 2015 to the year of 2016. This is post-adjustments, as Joya mentioned. There are 438 non-sworn jobs so we want to look at what that relationship was that's in there. As you can see basically what it means is that there are less female jobs that have less -- that are getting less than 100% equitable pay. That has gone down so that's kind of what this one chart here, but it remains basically the same that the percentage of jobs in which female employees are receiving a lower average salary than male employees in the city remains the same as it did at about 50%, which is right in the middle. It's not a bad spot. So the next slide, general comparison, we like to look at the non-sworn and total aggregate level across all employees. So females on average were making 96% of what males were making across all non-sworn job titles. That's just average pay within all those 438

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titles. In the police females are making 102% of what males were making. Fire that has gone up from 2015 to 93%. And ems was at 96%. Overall this is a much higher level than what the national average is, which is about 79% when compared to in the public sector. So the city of Austin compared to the national average is far exceeding that ratio at that level. The next piece that we looked at is we looked at the comparison between the race comparison between non-white and white employees in those same job titles. So we have decided those down into the American Indian, aleutian, asian-american, black and hispanic and caring those to the white employees. We identified these three different areas where there was a significant change. All the other ones kind of stayed relatively the same. There was -- if you look at the American Indian, aleutian, it went from 23% pay compared to white employees down to 95%. However, that is due to the fact that there are only four employees in that class. If you had changed one of those employees that would have a significant alteration in the results. The same from the other two, you went from 92 in 2015 of American Indian pay to the white employees, but again six employees that were there. So if you switch out one employee it will have a significant change. And with regards to the black employees within 94% in ems down to 86. Nine employees were included in that group. So that's one of those things that we notice in that is why it's important to get down into that statistical analysis because instead of just look at average pay and the median pay across job titles it's factoring in some of other things with regards to pay level that employees are at as

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well as potential tenure in that job that employees have. And again within the prior study comparisons and the non-sworn, this is the national averages for Neal and female so basic with regards to these different race ethnicities comparison, the city of Austin kind of sits basically right in the middle or just a little bit exceeding that. For example, asian-american islanders -- Asian pacific islanders on average receive 111 to 112% compared to white employees. Here in the city of Austin it was 113%. On the hispanic level across the united States, 62 to 72%. Here at the city of Austin it was at 78%. So exceeding that national average when it comes to certain race employee groups with regards to the average pay. There were just a couple of things that when we were going through this analysis that we tried to step back and look at this information. So these next two slides we try to look at where do employees -- where do these employee populations exist with regard to the pay ranges and the pay values. What that middle point that, midpoint of the their assigned salary ranging. As you can see there are more female employees -- there are more male employees assigned to the job that will make \$30 or higher. So that will have an impact if we look at that aggregate level of the comparison between what females and males make because it depends on where the job is assigned. At the back of the report we have promotional policies, opportunities for applying to higher level

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jobs, open, et cetera, to everybody that's there, continue to refine those policies and those procedures. The same with regards to white and non-white employees. So in this one it had the same type of comparison. A higher comparison of non-white employees were in the jobs that make \$15 to \$20 an hour compared to the white employees at the higher level. So that will have a change on the aggregate level of where those jobs were assigned. It doesn't mean that there is a disparate -- that there is statistical impact on that, but it's one of the observations to look and say does this impact some of our other hr policies that may be causing this issue. Some of that comes down to where the employees are assigned. So we looked at a couple of different breakdowns of employee groups. One is in regards to the employee categories. Executive 1, executive 2, exempt, nonexempt. When we look at those to three where do male employees reside, where do female employees reside. And with regard to this, female and male had a pretty even distribution with regard to the employee categories. >> Mike, if you could, on the executive 1, executive 2, just explain who was included in those categories? >> So the executive 2 are going to be like -- they're basically dividing up the high leadership levels and more department or functional heads within that. So there's more detailed definition I can provide at a different time. >> The assistant directors would be included in executive 2 whereas directors and above would be in executive 1. >> So the numbers in exempt is much lower, exempt and executive positions you can see where the percentages lie.

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That comes down to that level. The other one we looked at is regard to eeo category. So in the government you say sign job titles to specific eeo job categories. This comparison here showed the same results that you saw in the previous page. We wanted to break down those comparisons in different ways. So that brings us to the end of the replication of the previous studies which overall showed a very similar result as what happened last year. Slight improvements in a few different areas, but we also wanted to look at where the allocation of employees were within that group. So on to the next step where we did a detailed pay equity analysis, a more comprehensive view. So it looked to us to conduct a statistical analysis of the current pay levels. Factoring in a lot of other pieces to that than just pay and job title. And their gender or race. So the analysis does adhere to the federal equal pay act equal the title seven equal rights act. All of the methods we use qualify to what we're looking at with regards to maintaining equal pay. So what we did is what we call multivariate regression analysis. So we run regressions on a number of different variables to see which variable comes out with a significant impact on the overall results. Gender, age, seniority, the time since they entered that job title, the race and the job value. We had to represent the job value based upon the pay grade point. So it's a dollar value that's placed in there. So we're saying because it has to represent that grade level has an impact on what that

job is going to be paid. So we ran regressions by the whole organization, by the whole city, between sworn and non-sworn, and as well as on departments as

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well as there were 40 or more employees in total because you need to have a significant number of employees to have a valid result from the analysis. We did exclude the executive and cadet positions because there are no salaries assigned to that position so you will get no additional benefit with regard to this analysis here. The next slide just kind of shows what the various values are within each of those five categories. Full-time category, the genders, male, female, age. We had above 40 or below 40 and the race we had the five different values within that. And then the job value again and the midpoint of they're assigned pay grade. So what we did is we look at this value, what we have is a P value. That is what is the significant impact that that variable has on the overall result. Basically what you end up with is a regression formula that if you plug the values in you can predict what that pay line would look like. How far off are the various points from that predicted pay line. So once we identified those that did not have a statistically significant impact, so we would extract those and rerun the analysis with the two variables, three variables that actually had impact to see if they still have significant impact. So you're running it twice with a more smaller -- with a smaller group of those variables to ensure that there is still a significant impact within that group because across all five of them, they could have impact, but if you isolate those, it does not have a significant impact on the overall result. So basically we did two runs of data within each of those to determine significant impact. So even though we can get down to this level of analysis, we noted that all the statistical conclusions are limited to the data that's

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available. To we cannot include other possible explanations for pay differences. So example, the rate of pay negotiated for the time of hire. Where the employee starts with in the range has a significant impact on where they will end up in the future. We can't put that into the analysis. The policies for employees moving through the ranges, those might alternate at certain years. In the past when we've dealt with organizations they had employees that were hired in 2009 or 2010, all of a sudden those employees might have been frozen for like four years, they did not move through, but then somebody else is hired in 2010 at the same rate they were. So all those pay policies had significant impacts as well as just performance in general. That is very difficult to factor in even if you have a performance manage tool that gives a point value you still have to trust that point value that has been calibrated and consistent across your entire organization. Also the P value generated by the regression should be used as an indicator for possible issues, but it highlights what that possible issue is, rather than a determination of

pay equity problems. Wherever that comes up there still needs to be a detailed analysis to say, no, this is why. Here's the comparison of what has happened in this group. So the summary of the statistical values for overall the non-sworn levels, the job value variable has the biggest impact on pay. So it does have the most significant impact on their pay. Followed by seniority, the amount of time they have been in that job and age. It means that the impact of being older on the salary is actual positive here. You're not discriminating on pay with regard to paying more experienced or an older population at a lower level. The race and age related model, no race or age scrim naives was observed there. Male employees, the

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underlying statement there, given all other factors being the same, on average according to the the formula, would make 12 cents more an hour than a counterpart female employee. So overall that's 29.20 for the male employees, 29.08 is the average salary for female employees. The difference is extremely minor and within a reasonable range for flaw in raw data that comes through. So the overall difference right there is much lower, 99.4% difference or 99.6% if I did my math there correctly, difference in the average male and female employees given all other things consistent except for the fact that the gender is different. So then we ran regressions with the same process by department. So on an everything basis there is no systemic issue with regards to pay equity on the overall level across the city. Since in most cases we don't have that ideal amount of employees in each of the categories that we have, we recommend there needs to be more kind of individual review utilizing both the approach that was done in past years as well as this approach to help identify specific departments. Below are some departments with potential and if they can look at the analysis in what can be done in with regard to what the pay analysis are. In similar instances where it was 29.20 versus 29.08, the pay difference in there might have been the .05 percent or .7% difference within that reasonable flaw to make sure that you're

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accounting for all the potential data, all the potential impact that's there. >> Pool: Could I ask a question, mayor, at this point just real quick on the departments with the possible pay equity issues? Do you have any ideas why those may have fallen out, any theories on that? >> In each of them we identified what that significant factor was, whether it was the race or gender or anything like that. >> Pool: I was thinking maybe it would be gender based. >> And how much that was. So we would identify what each of those are and have given that more detailed analysis to look into what that means and how can we approach it. >> As we receive the information, I think our next steps and some of them, as he's already

indicated, there was a slight deviation from what we saw overall, but because they were at the cutoff we will try to do additional analysis. I think for the purpose of these departments there are also some particular uniqueness in these departments that would suggest justification for deviation, departments that have a higher percentage of field employees and things of that sort. So while we don't have complete justifications at this time, for the purpose of transparency in us going this level this year to get to the department level, it was important that we kind of point out what departments that we're going to be looking at as a result of the analysis. >> Yeah. Hopefully we'll get into some answers for that question here in the next slide. Basically overall the city is doing a great job managing pay equity status. There's not any significant systemic issues with regards to pay. People are moving through the ranges. There's equivalency, equal pay, equal work, in a similar fashion. There are certain departments that may have issues in certain areas, however there's other pieces that kind of go into that. It could be that there's a pay gap that may be caused what we call a common [indiscernible]io. If more female employees

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are assigned to that than male employees, sometimes they don't move through the ranges as fast as other employees. It has to come down to some of the pay practices which may be what has caused that comparison. So when we broke that down on each of those individual departments and said here's the average pay, here's the midpoint, here's the time in the job, all those things to say what can help us explain what that difference is. Not that we're looking for an explanation as to why it's different, but to resolve and identify can this be addressed through other means, other practices. So again it should be known that these conclusions are related to other pieces that we just can't account for, starting pay, moving through the ranges, et cetera. On to the recommendations for the non-sworn seize, non-sworn employee groups, to perform that detailed investigation in departments with possible pay equity issues, sometimes what that means is getting that list of the job titles out there, the employees out there and comparing across and identifying why was there not an increase here, why was there an increase here? Looking at that detailed level. The department listed on 18 as well as some of those other impact areas, are there performance issues? Are there turnover issues? Recruiting issues in certain job titles that need to be investigated at a certain level. Examine the policies and guidelines related to promotional opportunities and movement through the pay ranges because that does impact the pay equity results. Again that's on the slides eight and nine that we looked at on the distribution. Continue to enhance the integrity of the data related to employment history. We identify some discrepancies in start dates and salary grade changes when going through the detail

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analysis which happens when you have a lot of the fingers when entering data or changes in the process in the middle. You can't trace it all the way through, but trying to continue to refine that. Evaluate the application process and promotional opportunities through data collection, which enables further analysis to potential adverse impact as well as the disparate treatment of potential pay equity, future pay equity issues. The other piece is to need evaluate pay practices through pay equity analysis on an annual basis. However, through our experience with this as well as talking with the hr staff I know that's the statute right now. Something that this is a significant undertaking. It's a lot of hours to go into it. It's a significant financial investment as well. And similar to other compensation procedures, things that are done to maintain the compensation system. Sometimes a once every two, three, four years to do a study like this because then you can notice there's a change. Wherever you are rebuilding and recalibrating the salary structure that's typically done every two two three years when you would assess and redraw your pay line and salary structure. This could be done on the off years of that so that you are able to allocate some of the resources. The other larger recommendation on the next slide is because of Somer things underneath it is continue to utilize -- consider implementing a former job evaluation methodology. What this does is ensure comparable pay for comparable work because injury able to utilize a methodology to say this job is assigned to this grade because of these attributes. This job is assigned to this grade because of these attributes. I come from the state of Minnesota. And the state of Minnesota has had a pay equity law in place since 1984 and utilizing

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that to say comparable pay for comparable work. You're needed to statistically say as well as on the internal side to say these jobs are the same pay grade for the various reasons. It helps comply with the federal equal pay regulations because market pay can be used to defend differences between pay rates only if the employer can demonstrate the collective market data annually on all the jobs that is applied to. So those are thanks we need too lk into, implementation of formal job [indiscernible] Helps you on that pay equity. So on future analysis we would use the job points, the pay grade points that are assigned to that level. Which would help have a much more solid basis for that. So that's the consideration of that piece. On the sworn side, continue similar, examine the policies related to the promotional opportunities. Evaluate the application process for promotional opportunities as well. Especially when it comes into certain departments and making sure you have a good balance between female and male employees to represent the population. So that's the brief summary of a highly statistical analysis. >> Mayor Adler: Thank you. Very good report. Councilmember alter? >> Alter: I had a question about the data analysis. I was just wondering how you factored education or did you not factor education or does it come into the grade that the job is assigned to? Because that seems like another variable that might play into the mix here. >> And we did not consider the education that would go into it because each if two people are assigned to the same job grade you may have somebody with a bachelor's diploma and should be with a high school diploma. Utilizing a formal job evaluation methodology,

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some would say this job requires this education level therefore it's given those points for that education level that it requires. So that's how they would get it in there, but not on an individual -- >> So it would be more factoring into whether you qualified for the particular job. Thank you. >> Mayor Adler: Generally speaking, the report seems very strong. It seems like hr and the city is doing really well overall. We have some areas that we need to take a look at and see if there's something that's built into that, but generally speaking this reads like a really strong, favorable report. Am I misreading? >> No, from our perspective you're not misreading at all. The city is far ahead where the national average is in relation to gender and race pay equity according to the jobs they're in. It's improved slightly from the prior year. The other aspects are to continue to look at other tools and mechanics and approaches that can continue to achieve that and continue to improve that relationship. >> Mayor, I would add that while we're very excited about the results of the report, one of the key things that we're trying to do for the department is continue to build trust for our employee base, to build transparency relative to these very sensitive issues we've had the past three years. And while we're excited about it, we've committed ourselves to the quality of life commission, to the women's commission, the human rights commission, to take this date and to continue to work with these groups and address the systemic issues that will come and not necessarily be seen in such an analysis and report. We're really excited for it, but we want to publicly acknowledge we recognize that we still have a lot of work do with those very key stakeholder and we'll continue to use this as a method by which to do it. I would also point out to you that by the resolution we're to do this annually. As a department we would

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recommend and concur with the consultant doing this maybe every other year or allowing us to do it once. Since we just had a market study allowing us a year off, it's very labor intensive and with a small comprehension team that we have and all the other -- compensation team and all the other things, creating this is both expensive, although we get excellent work, it's expensive for the general fund department and very labor intensive. So we hope you can provide us some opportunity, and I guess we'll have more conversation about that in the budget process, so utilize some of the strategies that we want to put in place. I cannot let this opportunity go without acknowledging the need for human capital management system, so that we have more significant systems. Over time what you've been talking about, to do more manual work and to do systems and highly sophisticated systems to be able to what what we're now having a consultant do for us. So he wanted to make sure that we took that consultant to share our future prospected and the need for us to do these kinds of reports in-house. >> Mayor Adler: Okay. Anything else on this? On that same subject, would it be possible for us to get a little report

about what that human capital management system would allow you to do and where that could take us to the next level so that we can better idea what we might achieve if we were to implement that? It doesn't have to be like tomorrow, but if we're going to think about this as part of the budget process. And this may already be in part of the smart cities discussion, but I know I would like to better understand exactly what we would be getting out of that that would allow us to achieve it? >> Absolutely. We've done about three years of work and analysis. No only can we get that team to provide you a report, I

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think it would also be beneficial for them to come and talk you through the level of research done in terms of what we can expect. So I'll make sure we connect that team to you. >> Thank you. >> Mayor Adler: Ms. Houston. >> Houston: I think what concerns me is some of our departments that are on the list with equity issues. Did you go down into the enterprise funds about why that might be different than for the city as a whole? >> In each one of those we drilled down in the identified area to see how significant it was and see if it can be explained by the reasonableness of some errors within just the data that's there similar to that larger one that we had on the citywide where it was a 12-cent difference. Some of those were at the same level of that. But still the race and/or gender aspect of it did come out as saying it was significant based on the regression analysis, but the significance that's the only possible explanation of the data that we have that's there. So it's significant that -- the significance and the value of that difference could have been .7% difference in the pay on such -- on such a minute level which could be also explained by some of those aspects of the common ratio piece, where some of the employees on the lower part of the salary ranges and the employees that are in the higher salary ranges just move through the ranges differently because of the motions and movement and all the stuff that you cannot account for within the data aspects themselves. But in each one of those we go down deeper, provided a more detailed analysis to human resources. >> Mayor Adler: Okay. I think we're done. Thank you very much. >> Thank you very much. >> Mayor Adler: This meeting is adjourned. We meet again on Thursday.