

## Audit and Finance Committee Meeting Transcript - 8/22/2017

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[9:42:01 AM]

>> Troxclair: Good morning and welcome to the August meeting of the audit and finance committee. It's 9:30 and we're going to go ahead and get started. And we have a quorum present. Councilmember pool is very sorry that she can't be with us today, but we do have a packed agenda so we will go ahead and get started. One agenda note is that the clerk's office has -- needs to leave so we're going to take up item number 8 immediately following citizens communication. So with that we will get started. Is there a motion for approval of the minutes from may 31st? There's a motion and a second. All those in favor raise your hand? All right. The minutes are passed unanimously. We have three citizens signed up to speak and we'll call them in order. John Woodley? >> Hello, mayor and council. I'm John Woodley. I'm an advocate for disability access. And I would like to bring up a serious issue. I know that the city of Austin is experiencing -- I'm the author of a letter of demand that was sent to the city to make the city stop installing and remove harmful devices from the roadway. And the transportation department management, engineers, city managers and the law department have not communicated with me concerning my letter of demands to stop installing and remove these harmful obstructions from the roadway. The transportation department failed to

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show up for the bicycle advisory council and the mayor's committee for people with disabilities work session where there was supposed to be an open discussion with the public and have a discussion. The mayor's committee for people with disabilities, which I do not thankfully represent the mayor, refuse to allow public communication, my public communication and treated my descriptive services of photos that I was showing as public comment when there were visually impaired people in the room and they refused for it to be part of the meeting, which I regularly attend and I questioned four items on the

agenda. This is a serious issue and not a public for or against because people are getting physically harmed by these devices. The city -- these devices are considered speed cushions by the city to slow down traffic on certain roadways around town. You all received a memo from the transportation department concerning these cushions. They are not speed cushions, they are obstructions. The transportation department did not adequately address the disabilities side of these issues, and they did not mention anything to do with bicycles on that memo. Because the bicycle lanes are being -- these devices are also being installed in the bicycle lanes and in places where they're not installed directly in the lanes, they're cutting curbs blocking bicycle lane access, which is also blocking wheelchair access because of the -- some of them were less than two feet wide. So please set up a special session or include this on the next city council meeting because this is a serious issue with people who are actively being harmed.

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Thank you. >> Troxclair: The next speaker is Karen seroni. >> Good morning, mayor, [inaudible]. >> Good morning, mayor, mayor pro tem. My name is Karen seroni. I'm here to discuss the issue that speed mitigation devices cause for people with disabilities. I met with the mayor's commission for people with disabilities in may to discuss them. Prior to bringing this issue to them, I had exhausted all possibilities, which included meeting with the transportation department engineers, several discussions with traffic logic. We even had an mit mathematician helping us. He suggested some changes to the product. Those discussions included the transportation September. Currently the transportation department has ordered the flat table to insert into the already installed cushion on far west boulevard. That will be done in September. This is the transportation department's idea. The problem is adding the flat table will not change the jolting impact of the one and quarter inch vertical lift on both sides of the cushion. We have made every attempt to resolve the issue with speed cushions. Robert spillar has changed the current policy to include better communications. With the community, not the system nor the is assignment of approval of streets for mitigation devices. The speed humps that were petitioned for were approved in 2013. Fact that they are being installed in 2017 is a management issue. Any vertical device will cause harm to people with disabilities. This is well documented. It is illegal to cause harm to another person,

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which speed cushions do. It is not legal to restrict the access to our homes. A.D.A. Is a civil rights law that prohibits a discrimination against individuals with disabilities in all area of public life, including transportation. With speed hump programs, local governments are taking existing accessible facilities,

altering them and making them inaccessible. There must be a moratorium on all speed cushions until at a time which Austin can fully evaluate how their decisions are affecting the disabled community. It is important to remember that in the context of A.D.A. Disability is a legal term rather than a medical one. Title two of A.D.A. Prohibits discrimination against qualified individuals with disabilities in all programs, activities and public services. May I show you six slides of the physical issues you will understand what I'm talking about I think after you see them. Okay, go back to the beginning. Sorry. Okay. So this is not a medical class, but this is here to show you what I'm talking about. The next picture is of the atlas. It's kind of hard to describe, but the atlas sits on the axis, which is at the top of the spine. You can see that little arrow on the right. Next slide. [Buzzer sounds] May I continue? >> Troxclair: If you can wrap up your comments. >> This is where the slant is. Mine is off 7.5 degrees. Next slide. Again, this is what I'm -- the area I'm talking about. Next slide. This is a Normal spine. Next slide. This is mine. It's vertical.

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And there's a lot more problems here that you see. Next slide. So there's a difference, a Normal spine on the left. Mine is on the right. There's nothing I can do to fix this. There's nothing I can do to stop the pain, except for burning the nerves, but that does not cover the cervical spine and the upper portion. Thank you for your time and consideration. >> Troxclair: Thank you. Our last speaker will be Paul Robbins. >> Good morning, council. I am Paul Robbins. I'm an environmental activist and consumer advocate. I'm asking council to review -- excuse me. I'm asking council to create an audit to review the customer assistance program in the next budget year. A new tariff has been proposed to income qualify participants with high real estate assets. I've gotten pretty good feedback from the members of the council and their staffs that I have talked to about this. I'm going to -- assuming that council passes this new tariff, I'm asking for an audit to see how well it is working and how much money has been saved by the new procedures. I'm also going to suggest that the auditor delve into best practices and other utility discount programs around the country. And third, though it may be dwelling in the past, assuming you pass this new tariff, it would be good to have an estimate

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of how much money we have lost since auto-enrollment began due to the flaws in the system. Due to privacy laws, I cannot see all of the information relevant to customer assistant program participants and billing. Moreover review of this program has largely been left to a volunteer for far too long. Professional staff have the advantage of seeing all the data and they are paid to do this work. So again, I'm asking if you would consider putting an audit of the customer assistance program in the next budget year. Appreciate your attention. >> Troxclair: Thank you. Appreciate it. Okay. That concludes citizens

communication. And we are going to take up item number 8 so that the clerk's office can leave. >> [Inaudible]. >> Troxclair: Oh, I'm sorry. >> [Inaudible]. >> Troxclair: Oh, okay. So we're going to take up number 8. Sorry. Okay. I'll let her present first. >> I'm Deena Stratton, boards and commissions coordinator with office of the city clerk. Today the clerk's office is bringing forward the community development commission bylaws for your consideration. That's the spreadsheet here, the legal document, and the bylaws attached to it that's been provided. There are three different fonts here. I apologize. I wanted to keep everything in order for you. Everything on the second page in black font does

[9:54:07 AM]

not require an ordinance change. What's listed in red font has already been approved by council through an ordinance. They're just changes to the bylaws. And what's listed in Orange font are changes that would require approval from audit and finance, and we bring that back to the full council in an ordinance change. So from the beginning, article 3-a, those changes have already been codified by the ordinance that council approved in April of 2016. So we're just letting you know those changes are included in these bylaws. In article 3-a-1, the red font, the low income populations eligible to be served under the community services block grant has already been approved by an ordinance by this council. The changes that the community development commission has made for this body to consider is that eight members shall be democratically selected by organizations representing residents from each of the eight geographic areas. This language was proposed by the community development commission, which addressed issues that the Texas department of housing and community affairs expressed concerns about for the well-being of the community services block grant act. And the Texas administrative code. So that's the first change that this body will need to consider today. The second is on the top of the second page, article a-2, which states that the seven members shall be appointed by city council. These members are typically appointed by the mayor, so the community development commission is recommending that these appointments be made by council. Staff recommends that instead of it being listed as appointments by council that these seven members shall be nominated by a council committee and appointed by the full council. And of the seven commission numbers nominated by a council, a committee, and appointed by the city council, the reason that

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staff is recommending this be nominated by a council committee as opposed to councilmembers is because of the number of them. There are 11 councilmembers. These are seven members. So if it's appointed by council committee it can still be then fully approved by the full council. Article 3-b, the CDC

has recommended -- cbc has recommended that the eight members -- the original language is that all of the members serve at the pleasure of council. The cbc is recommending that the eight members are democratically selected by the individual neighborhoods. Staff is recommending that this language be struck completely and because it is in direct conflict with city code. City code does state that board members serve at the pleasure of council. So we will be bringing forward an ordinance change striking that to address this issue, but for now we have to bring these bylaws forward to show the state that we are making an effort to keep the safety of the community block grant. But as I mentioned, we'll be bringing that back in the form of an ordinance. The rest of the language does not require -- the rest of the changes don't require an ordinance change, but they are changes that the cbc has recommended, including adding in article 3-h that the responsible organization has 30 days to make a replacement. Staff can accommodate that. They've asked that the list of organizations in article 3-c be accessible so the clerk's office will be adding the resolutions listing those neighborhood organizations to the web page. Article 3-l, they are asking for additional training from the state, which staff is happy to accommodate. The other changes are

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aligning with the ordinance, eight members constitute a quorum since this is now a 15-member board as opposed to a 16-member board. The same with article 7-h. And article 7-k they've requested that there be seven-daytime frame for their recordings it be made accessible on the web page. And these are all accommodations that staff can make. >> Troxclair: Thank you for laying that out. Do we have any questions from the committee before we hear the speaker? >> Tovo: I do. I have a couple of questions. Thank you. On the first street under article 3-a-1, the proposed language now would say eight members shall be democratically appointed or the parks and recreation department to represent the poor, low income populations or was that intended to strike the language the poor and replace it with the low income populations? >> I believe both were added to -- that the ordinance that was approved by this council states the poor/the low income populations, et cetera. >> Tovo: Okay. Because it's hard to read right now with the hyphen. So it should be the poor slash? Is that how the ordinance reads? >> I don't have a copy of the ordinance. >> Tovo: I would probably go with the low income populations and strike the poor. >> It's low income. So we'll strike poor. The ordinance says low income. >> Tovo: The ordinance does not say the poor. Okay. >> Apologies. >> Tovo: And then I think I had one other question. I'm not remembering the reason why the ordinance went from eight members down to seven. And I wonder if why not just have 11 and have each councilmember appoint someone rather than have a committee do seven? >> I think MARIA Allen is able to answer that question for you. >> Tovo: Great. >> Good morning. My name is MARIA Allen. I'm the manager for the neighborhood services unit that is funded

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primarily through the community services block grant. Originally when we began working with the community development commission as a result of the cdbg requirements, the tri par tied requirements, it was at that point an 11 member council and each member selected their -- I'm sorry -- a seven-member council and each member selected their own commissioner. And then the other representatives, you know, were selected from the low income neighborhoods. With the move to 10-1 it was going to mean that with the requirement that at least one-third of the representation be members representing low income communities, we already had seven of those organizations and we actually ordered another organization as a result of the needs assessment. It was going to be another large commission. And at the time that was the decision that was made and to go ahead and retain the eight geographic areas that represent the low income sector, and then have the other seven members at that point were -- were then going to be nominated by the mayor. >> Tovo: Okay. So I understand the change by the mayor to satisfy the requirement. But since we went from eight to seven and we're really just adding an additional three over what used to be there, the eight, I just think there's a -- it seems to me it would really be adding a couple of additional people beyond what we really had. And I think there's a real value in having each councilmember having an appointee on there because it creates more communication between that commissioner and the council. So -- I think based on the numbers and the requirements you suggested, there still would be a one-third -- still one-third of the membership would be comprised of the individuals who were from those

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organizations. >> As long as we would be able to retain the tri partied requirements, so at least one-third would be representatives of the low income sector, one-third would be public officials and/or their representatives and then one-third would represent -- the remainder would represent the private sector. So that's the way that the -- in order to meet the requirements of the cdbg act, we have to have the CDC structured. So we would just need to talk a little bit more about the particulars of how that would all roll out. >> Yeah. I think I would like to have that conversation about how to do that. I have a lot less interaction with the community development commission these days now that we have those appointments happening through the mayor's office and those commissioners. Again, it -- one way we get great information about what's going on at the commission level is to have the commissioners in contact with our office. I don't know how to deal with this today. I know we have a speaker. Maybe he has some thoughts on this. Is this a change -- I guess we can make a recommendation here from council -- from this committee and then make some changes between now and the time it comes before council. This has to be approved by the city council or no? >> Mayor pro tem, Jannette Goodall, city clerk. The bylaws have to be approved by council. Typically where we're making code changes as well as bylaw changes is we would bring the code changes first, but given that the Austin public health wanted to be able to demonstrate that we wanted to move forward to these changes, we brought the by law

changes first. So we can get with your office and talk about whether any increase in the membership. We should also bring, when we bring the code amendments that need to come as a result of some

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of these changes that are being proposed in the bylaws. >> Tovo: I'm not sure I understand. It sounds like we kind of make changes between now and council. >> So it's a two-step process. What we're bringing forward to you today is amendments to the bylaws. We are going to be bringing later some amendments to chapter 2-1, 127, which outlines the description and duties of the CDC commission. >> So do the bylaws -- I guess this is the point that I'm not remembering. Do bylaw changes have to be approved by council too? >> Yes. We put them on the nominations and waiver page. >> Tovo: Okay. So I think that we've been making changes to the bylaws, things that are going to council. >> So if you wanted to recommend an increase in the membership, you could do that. >> Tovo: I would like to do that. I don't know if the committee is prepared to do that. I would be interested in the committee's recommendation on that. I would like before then and when it comes to council, but I think it would be of value. I guess the neighborhood and planning committee would be able to do it. We have members of council who serve on that. And I think this is a commission that's dealing with issues that are really important to the council as a whole to have the opportunity to have that. Closer connection with our commissioners. Seven is a lot of commissioners for one group to appoint or recommend. >> Are you recommending that these bylaws be reviewed by the housing and planning committee -- >> Tovo: No. I was just speaking to what I assume would be the committee that would make the recommendation of seven of the commissioners. >> Mayor Adler: I like the idea of us not deciding these questions now so we get the

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feedback. Is it -- can you explain what it is the concerns are related to the block grants in the administrative code or is that better, something that I can get offline? >> I'm happy to do that now, mayor, if you would like. The original concern that they outlined, we had a monitoring visit in January of 2015 for the community services block grant. We received the findings on those in April of 2016. We then moved forward, you know, to make the code change to address the finding, which is that we had 16 members on the commission, which was not division I believe by three. And so therefore they found that we were not in compliance with that portion of the Texas administrative code even though at that time it did not outline that the membership had to be division I believe by three. So we did correct that with the ordinance change. Then we -- the next item that they had as a concern was that currently the seven members that represent the public sector are all nominated by the mayor. And in the spirit of the

cdbg act, they indicated in their concerns that they felt that those members should be nominated by individual public officials or some type of committee of the council in order to be able to address that type of concern. The final thing was an observation in which they cited that we had the representation for the low income sector was all as city of Austin residents. The community services block grant, our service area is Travis county. And even though all of those city of Austin residents are obviously residents of Travis county, they wanted to make sure that we represented also the low income areas of the rest of the county as well. So those were the three

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items that they have listed, excuse me, as a part of their concerns. >> Troxclair: Let's hear from our speaker quickly. And that is Fred Mcghee. >> Good morning. Thank you for taking this item out of order. I greatly appreciate it. My name is Fred Mcghee and I'm delighted to be one of the mayor's appointees to the community development commission. Oh, thank you. And I am the primary motive force on that commission for what you just heard, in other words, the city's noncompliance with the csbg act. In the spirit of time -- I had a presentation that I wanted to present to you. I'm going to go through it like lightning. I think the administrative stuff we can talk about and I appreciate you, councilmember tovo, soliciting further input from the commission about the specifics, the mechanics. What I'd like to focus on in the few minutes that I have is on the actual political and legislative history of this and how we got here. Why this commission has the composition it has. What its intent was and so forth. By the way, the item was not properly posted. The stuff that you just heard, it's not on the backup on the web page. I don't know what the staff recommendations were. And I'm the guy on the commission. I'm the guy who actually wrote the draft that was voted on by the commission that was furnished to you. So I'm kind of disappointed about that and would like to place my disappointment with the staff on the record about that. In the picture here is Robert hack and Robert

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Kennedy. The office of economic opportunity was started in 1964 with the economic opportunity act of 1964. It is part of Lyndon Johnson's greater society programs that started all these programs. One of the most important parts of that program was what is known as the community action program, which ensured maximum feasible participation by actual people in the computer where that money was supposed to go. Austin has a distinguished legacy in this and it in fact launched the career of our first hispanic city council member John Trevino in 1965. Montopolis, my community, was the first community action agency in Austin and launched a slew of anti-poverty programs that were later incorporated into the city of Austin. All of this were firsts. Maximum feasible participation is something that over the later



1960s into the 1970s was eventually whittled away and that's where the origins of this tri parteid thing started. It was part of a 1989 law. Basically what it's designed to ensure is that the poor themselves have access and the ability to administer programs for their own benefit. Originally under president Johnson's war on poverty you had actual community organizations that were autonomous of government that actually got direct money that happened in montopolis. Most of them however were government agencies. And that's basically what really I want to make sure that you all understand is that having those eight people on the community development commission be accountable to the poor neighborhoods that they represent is important. It's one thing to have city officials say I'm from the government, I'm here to help you. It's another thing to actually empower people in the community and to

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give them the resources to allocate federal funds. The driver of that tri parteid requirement is not the state, it is federal law. Now, between 1981 and 2015 the council did appoint those members to the community development commission, not the mayor. And that's the way it was for over 30 years. When we switched to 10-1 we went to 16 members and made all these different changes. Some of that was done really without proper consultation with the community development commission itself. I think that would probably be the better way to go, although in the email I sent you I'm not really militant about that. The main thing I want to express to you today is the point that those eight members of the community development commission should be accountable to the community first. And there still will be an opportunity for this stuff to come out and produce public policy that works for everybody. Politically speaking it's low hanging fruit in my judgment but I'm not an elected official. Thank you very much. And to your point, councilmember tovo, if I could respond to the question that you asked earlier, the tri parteid requirement is a hard and fast requirement and literally requires that it be division I believe by three. So the point is you have equal representation. Elected officials get to appoint their members to that commission. Then you have business leaders, non-profit leaders and others who get a third and then that other third has to be people who are poor or represent the poor from those geographic areas. >> Tovo: Thank you for that background. That was really helpful and I appreciate the email that you sent ahead of time as well. I apologize that you haven't seen -- if I understood your initial comments that you didn't see where the staff recommendations differed from what came forward from the community development commission. I think there are a couple of key changes and I'm not sure if you -- we went through all of them kind of quickly. The one where I think is the most significant change is around the membership.

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The commission, as I understand it, the commission suggested that five should be elected public officials or representatives. Two must be members chosen to represent major groups and interests. And the change that is -- that the staff is recommending if I'm understanding this correctly is that seven members should be chosen by a council committee or nominated by a council committee, but it lost that public officials -- the division that the CDC had suggested in terms of public officials versus community members. Am I understanding that correctly, Ms. Estrada? I'm trying to track where those changes happened? Am I in the right -- >> I think the only change was staff recommended the original language had said that the seven additional members are appointed by council. And we just added to be nominated by a council committee so that there was a process for who was making the nominations rather than just by the council without a process in place to get the names before you. >> Tovo: I apologize. Thanks for the clarification. So it preserves that division within here. Okay. >> Yes, ma'am. And -- sorry. I don't want to talk over you. I apologize. Whenever you give me permission to speak, ma'am. >> Troxclair: Go ahead. >> Tovo: But I think it's consistent with what you all suggested. >> Yes, ma'am. I didn't have particularly super strong feelings about it. I think another suggestion would be since there is a program that is explicitly legislatively and administratively assigned to assist the poor, take the seven poorest city council districts and have the city council who is representing those districts make those appointments. I think that would be another solution. >> That's an interesting idea. And then they would also -- I think one of the challenges in the

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past when we have councilmembers making the appointments, but they have to fit into certain categories, like a public official versus a community member then you need to designate which seat is going to do which and that becomes a little complicated, but it could certainly be done and maybe that's the answer to have those top seven do it and designate which ones will be community members, which ones will be public officials. >> Yes, ma'am. And the commission would be happy to toss that around some more. We had some opinions on the commission either way and we could give you some further feedback on that. >> And staff really have no preference one way or the other, but we just need something for how to do it. Because there are councilmembers that serve that role on other commissions. Audit and finance did municipal services. Health and human services does the Travis county hospital district. >> Troxclair: Okay. Thank you. Appreciate it. So do we need to make a motion on this item? >> I guess that will depend on if you want to proceed with this to council now or if you want us to come back with options that incorporate some additional feedback from the commission on the bylaws along with the code amendments at the same time. >> And also if I may, this may have to come back to the full council as a council committee item because there are recommended changes to the ordinance. So it wouldn't be on the typical boards and commissions standing item. It would be its own item. So if we bring it back as its own item on a council agenda if approved today then you could make changes prior to or during that council meeting.

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>> Tovo: Thank you. I apologize for spending so much time here. I know we have an absolutely crazy agenda, but I want to be sure that we handle this appropriately. So as I understand it, you would like for us to deal with the membership today because we need to send that signal to the state that we're moving forward in the direction of compliance. Okay. However, there's existing membership on this committee and nothing will change overnight when we pass this because they're already nominated. So is that -- >> Do you mean the number of members? The membership wouldn't change. That has already been approved. >> Tovo: This doesn't affect any major changes in the short-term. I'm comfortable moving approval of this with the understanding that we're going to ask the community development commission right away to provide us with feedback on what the different alternatives are. I think Mr. Mcghee suggested one in terms of how those council appointments could work and I think that I'm real interested in some of those suggestions. And then, again, if we could revisits that a council prior to new appointments being necessary. Does that make sense? Okay. So I'll move approval of this battery of changes with that understanding that we're going to revisit that point. >> Mayor Adler: Does it make sense for us to recommend it if we -- because some of the ideas seem to be good ideas. Should we vote to send it on to council without a recommendation so it doesn't create an ambiguity as to what we were recommending? Would that send camp signal to -- >> I think you could give us direction to come back with recommendations from staff and CDC on possible changes to the membership makeup as well as other code amendments that are required to accommodate what we need to revise. >> Tovo: And in fact -- sorry. I'm sorry to speak out of turn. In fact, the original language that just talks about them being

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appointed by council actually may be a better choice because then between the CDC and the recommendations and coming back here we can sort out how that is going to work. Is that in line with what you're suggesting? >> Mayor Adler: I think the best thing to do would be to recommend sending it on to council for action rather than substantively saying a choice. If that signals to the state you what need to signal to the state. Unless you're prepared to actually make the recommendation on how it should be done, in which case we should ought to wade into that and decide that. I'd rather us not spend the time doing that on the dais and send it on to council without a substantive recommendation. >> Tovo: If I could, it sounds like the change that the state wanted to see had to do with -- I mean, one way or the other they're coming from council, right? So we could say -- we could go back to the original language that talks about them being appointed by city council and then we'll continue to sort out whether that's a committee, whether that's the top -- the southern council district -- anyway, I'm happy to do it any way that makes sense, but I'm not sure I understand what you mean by just sending it on to

council without a recommendation. We would take out that piece and send the rest of it on to council with a recommendation of the changes, but not make a -- not make a recommendation on that one amendment or recommend the whole thing? >> Mayor Adler: It would be a recommendation to send this on to council for council consideration. >> Troxclair: That makes sense to me. So I think you're both ultimately headed towards the same goal, but I think the difference is either sending it on with the recommendation for -- sometimes when we send things on with the recommendation for approval, you lose the nuanced conversation. So if we just send it on without a recommendation, we can explain to council at that time what the conversation was, where

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the sticking points were, what the new information that we've gained by that time, et cetera, so that council can make a decision at that point. >> Tovo: I think I would recommend the rest of them then. What I want to avoid doing is the council having an explanation of every single one of them because people will want to know why we didn't make a recommendation on them. Why don't I make a motion to recommend all of these changes and to forward this last one on with no recommendation at this point? >> Troxclair: Mayor pro tem tovo makes a motion. Mayor, does that make sense to you? >> Mayor Adler: That does. >> Troxclair: So seconded by the mayor. All those in favor raise your hand? All -- it passes unanimously. Is that clear as mud to staff? >> Clear as mud. >> Mayor Adler: So we're forwarding all recommendations except for 382 which we're sending on to council for a recommendation. >> Troxclair: Thank you. Appreciate it. Okay. That brings us to item number 3, which is the fiscal year single audit report by deloitte touche, the city's external auditor. I don't see any citizens signed up for this item or for any of the other items on our agenda. Welcome. >> Good morning, mayor, mayor pro tem and councilmembers. I'm Danielle Thomas, city controller. I'm here with Tracy Cooley and the external auditor from deloitte and touche to present the 2016 single audit. I'd like to thank deloitte for the manner in which they conducted the audit. I'd like to thank city staff, especially the staff of the controller's office, accounting division, for their many hours of dedication towards completing this report and finally to the mayor and councilmembers for your continued support to the -- in the city's goal of excellence in all aspects of financial reporting.

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The single audit was issued on may 19th, 2017 about five weeks in advance of the due date of June 30th. This is earlier than we've ever issued the report in recent days, so I appreciate everyone's hard work to make sure that we were able to get that done quickly. And you should have received a copy of the audit reports in mid July under a cover memo from me that looked like this. I'll now turn the presentation

over to Tracy and Blake to give you more information. Following their presentation I'll provide a brief response from management and representatives from the departments with findings in the presentation are here at the meeting today should you have further questions about their plans of action. >> Good morning. I'm Tracy Cooley, the managing director responsible for services we provide to the city from deloitte. And this is really a continuation of the fiscal year '16 audit results. We met earlier to talk about the compliance statements and this is really the side that we're engaged to do. I can talk about the issues. When we talk about the southbound audit there's -- there's stipulations on how to use that money, how to report the money used, how to report the projects there's procurement considerations, there's eligibility requirements. So there's a slew of requirements that we test as part of this audit. So not financial in nature. It's really compliance in nature that we're looking at. So there's two things to the single audit, federal and state. We issue both of those reports and they had unmodified or clean opinions as it related to compliance of. We did have some findings that Blake will talk through that we'll share with the committee. And the second report that we wanted to talk through, which should be fairly quick, is the passenger facilitate charge audit. It's really in the same vein as the other audit, it's compliance related. The city is required to

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spend passenger facility charge money. And we're doing that on testing on the appropriate items. In the city's case it's on debt payments. So that report was issued unmodified opinion, we had no findings related to the passenger facility charge audit. When we talk about findings, I've shown you this chart several times, but just to kind of a refresher, when we talk about findings and deficiencies, there really is a spectrum that we look at related to deficiencies. And when we talk about it from a compliance standpoint is we're talking about the controls and are the controls strong enough to prevent a material noncompliance from occurring as it relates to federal-state awards. On the severe end of that spectrum we have what we call a material weakness. We don't have material weaknesses identified this year as it relates to the city's compliance audits. We do have something certainly less severe than that that we'll discuss, which is a significant deficiency. And really the definition of that is we believe that it's something that warrants the attention of the audit committee to we're here to present those today. So I'll turn it over to Blake and he'll walk through the findings that we had on the single audit. >> So we did have four findings related to the fiscal year ending September 30th, 2016. The first two that you see relate to the home loan program. The reporting finding related to the listing of the city's matching expenditures in the city's consolidated annual performance and evaluation report for the home program, that's a required report, an annual report that they have to submit to HUD for each one of the home programs [lapse in audio], and dollar volume of expenditures between the fiscal years, however the total value of the matching expenditures was correct. The other relates to subrecipient monitoring.

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The new guidance came into effect for many of the federal programs over the period of the last couple of years, the uniform grant guidance. And the uniform grant guidance had some changes in what is required to be included in subrecipient awards in the instance where the city has passed through some of the federal dollars into subrecipients to further those programs. And in the case of this particular subrecipient, these particular subrecipient agreements did not contain some of the required informational elements that are required in that new guidance so we noted that here and what elements they were missing. As it relates to FEMA, we had one issue relating to the amounts that the city spent related to the flood assistance money that was received in the wake of some of the floods that occurred back in actually fiscal year '15. And it was -- the issue was around the for the parks and recreations department. Specifically FEMA requires those costs to be reimbursed based on equipment hours and some of the support didn't fully explain some of the hours charged to the program. The amount of the questions costs known to us through our testing of 12 selections, seven of those selections had a total of \$946 of questioned costs but with any audit we do sample, it is not a 100% test so we projected that to the approximate \$80,000 that the city spent on equipment usage and deduced that there would be a potential for a likely questioned cost of an additional 22,000 if you were to try to extrapolate that initial sample out to the entire population of project it out and say that same error rate would apply to the rest of the population. Then the last finding relates to reporting for housing opportunities for people with aides program, and this relates to the

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consolidated annual performance and evaluation report of the caper specifically for the program. The amount of the total expenditures for the fiscal year did not agree or reconcile to the amount that was reported in the cia so we did note that in our report. As Tracy said, we looked at each one of these individual issues both individually and collectively and felt that they rose to the level of bringing them to your attention today but did not think that they represented material weaknesses. And of course as it states in the bottom management concurs with the recommendations related to these findings above and if there are not any questions, I'll turn it back to Dinah to discuss some of the responses -- Diana to discuss some of the responses >> Troxclair: I don't see any questions. Mayor pro tem tovo >> Tovo: I want to make sure I've captured the amounts that you've indicated on 2016-005 on the -- as I understood that, the extrapolation brings it up to about 100,000? >> I'm sorry. It's \$22,846 was our extrapolated number. >> Tovo: What was the \$80,000 -- >> The 80,000 is the total amount that the city spent on equipment usage type costs. >> Tovo: I see. There was about 900ish dollars that was -- >> That was the known error. >> Tovo: Thanks for that additional clarification. >> Of course. >> I'll just walk through management's responses to the findings. As part of the packet of information, we've provided you a listing of the finding itself, which Blake just covered so I want repeat those. And then we walk through management's response for each one. So on 2016-03, related to

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the home program, in hcd is responsible for addressing this finding and they are going to be making sure that their match proceeds -- they've changed the way they're doing their match. They've gotten approval from H.U.D. For that so it should be a much better process for us, for the city in coming up with that information. To make sure that everything is correct. Item number 4, that was a change in the federal rules with regard to information under the new guidance, and so nhcd is amending those contracts to make sure that their contracts include all of the information that's now required under the guidance. Item number 5, with regard to FEMA , pard is going to make sure that they have a better process for tracking their equipment usage and time so that they're better able to provide documented support for these disaster recovery items. And then, finally, with regard to the organization, we reached out to H.U.D. To try to amend the caper but we can't -- there's not a process to do that but we have notified H.U.D. Of the change, and we will make sure that in the future that we are consistent between the caper and the cia with regard to reporting for captures. If you have any questions, members of the departments with these findings are here and available to address your questions. >> Troxclair: Thank you. Members, any questions? Okay. There's -- any motions? Motion by mayor pro tem tovo to accept the audit. So second? Seconded. All those in favor? And it's accepted

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unanimously. Thank you. Item number 4 is Austin convention and visitors bureau convention semiannual update regarding budget priorities and funding allocations. >> Chair? >> Troxclair: Yes. >> Tovo: While they're coming up I wanted to get a sense of whether or not -- I believe we're scheduled to end at 11:30 rather an 12:00. Do you think that we're going to hit all of these audits? >> Troxclair: I -- >> Tovo: And financial reports. >> Troxclair: I think that it's going to be very difficult for us to do that. I am able to stay until noon. Do you have another appointment? >> Tovo: I have a meeting scheduled at 11:30. I'm going to communicate with my staff and see if they can manage without me. I think if we're not going to get to all of them, maybe we can make some decisions about which ones, but I leave that to you. >> Troxclair: And I guess I'll ask the auditor if there are some that -- there are a few items that I know I want to make sure that we get to today. Item number 6 and item number 7. But -- >> I would say for us item number 9 is a 1-minute item that's an exception. We failed to report the public acceptance in a report at the last meeting so that's just a -- if y'all are open to accepting that one will go quickly. I'm okay not doing item 10, I come back in September and talk about that again. I've also sent it out to council and asked for input so if we were short on time I'd say that's the one -- item 5 is an audit we'd like to get presented. We have management here to respond. >> Troxclair: Let's get started and see if

we can make progress to make sure we get through five, six, seven, nine. Thank you. >> Madam chairwoman

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troxclair, mayor pro tem tovo and mayor Adler, first of all, I want to thank you for last year during the council hearings you reallocated a million dollars to our budget to talk about heritage grants and diversity marketing. Out of respect to your time and agenda I wanted to ask you if you want the long version or short version but I think I have the answer to that now so we'll run through this fairly quickly for you. With me is Tiffany, our director of marketing and Julie, kfo. We'll walk you through the program. 90% of what you're going to see today in the diversity marketing program didn't exist at this time last year and we still have a few more months to go to have the program fully integrated. I want to thank our entire martin team that helped us put not only the presentation together but worked with us to do the diversity marketing. With that, let's go to the next slide this is the entire team in our organization that work along with Latin works and Sanders. Steve led the heritage grants task force for us, with we brought on Clarissa to help us. If you remember last year our grant funding went from 200,000 to 500,000, as well as 500,000 in heritage and diversity marketing. Next slide. That do it? Aha. Here we go. Sorry. So the first thing we did, we did outreach to the Austin's visitor task force to let folks know grants were coming up and they should apply. We added the division of a heritage diversity marketing specialist, we held three workshops. We had one on one meetings with organizations who could not attend the workshops. We sent over 600 letters out to historical nonprofit entities, museums, past

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recipients, et cetera for both spring and fall, did email blasts and showed media posts. Let me walk you through the process quickly. Grant applications were due on March 20 or July 31, depending if you were the fall or the spring grant process. So visit Austin has a tourism group that reviews recommendations which applications they should award. The grants committee of the historic landmark commission along with visit Austin reviewed the recommendations in the workshop, determine if there's a historical justification to recommend an applicant's are highly encouraged to attend and answer any questions. The historic landmark commission holds a public meeting, city law department reviews the applications and eventually city manager approves and signs off on the grants. So you'll see that in the heritage spring grant cycle we approved \$262,000 worth of grants, stateside theater, paramount theater, Austin's women's club, Mayfield park, Austin club, opera house, contemporary Austin were the spring awardees. The heritage grants for fall, following awardees were the Austin's women's club, Barton springs conservancy, shoal vehicle conservancy, Houston tilt ton, republic square and that totaled 500,000



worth of grants. There are two applicants not approved. The first one of those was shoal creek conservancy in the spring of 2017 and it was because -- why we thought there was a tourism justification we didn't think the heritage grant should fund construction documents. They also reapplied in the false once the program was moving forward and were approved in the second grant cycle so they were approved. The second one of those was in the fall 2017, pecan street festival.

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Why we think there's a tourism justification they were dealing with a lighting issue and we thought they needed to get more involved with the sixth street and downtown alliance. So I would tell you they need to come back next year. We weren't ready to approve those grants. Any question on the historic grant cycle? >> Troxclair: Members, any questions? Mayor pro tem tovo? >> Tovo: I have -- I'm just lining up my information. Haven't had a chance to really figure this question out, but it looks to me just on the surface as if many of the applicants were first time grantees from the heritage. I see a couple returning, I think the paramount and stateside but you reached some new grantees and so that's great. >> We did. We did a lot of obviously outreach to a lot of members in the community to try to get there and did have new awardees, which was great. >> Tovo: That's terrific. I think that's a real improvement. >> Thank you. I'll turn it over to Tiffany now and she's going to walk you through the diversity marketing program. Tiffany? >> In my role as director of marketing at visit Austin I oversee the day-to-day management of both our general market visit Austin and diversity efforts. Our goal really is to make sure that all of our campaigns and creative is inclusive of Austin's rich diversity but this redirecive of funds specific to heritage diversity marketing has really helped us bolster those efforts. We provided a printout of this full presentation in the folder there out of respect for your time I'll go through the highlights because I know we want to move quickly. So in addition to the heritage grant promotion and fulfillment Tom took us through I'll take you through a couple marketing efforts. This first example here is a piece we did in partnership with Texas monthly magazine titled Austin heritage in the here and now, coauthored and we also commissioned a local illustrator to illustrate some of our heritage sites. This reached about 2 million

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of Texas Moll's print readership and available in longer form online. Here is a sampling of some of our heritage related social media posts. We want to make sure we're updating our content and pushing that out through our channels. And finally I wanted to share a couple of the examples here of our Austin visitor center walking tours. So to date -- this is actually reflective of about may, end of may of this fiscal year, so these numbers are actually larger than reported here, about 144 tours given with 949

participants and this is done by our visit Austin staff at the Austin visitor center. Here is a small sample of some of the different points of interests that guests and visitors see on these -- on these walking tours. Really critical to our success in all of our diversity and heritage efforts is partnership with the local community. Since January we've met with and formed working relationships with all of the organizations listed here and that outreach continues and we're growing that really daily as we reach out to local partners. Tom mentioned our advertising agency partners so we work with two different local firms. Latin works is our advertising agency of record on all things visit Austin so general market and diversity related. Sanders Wingo is a local agency, the for the African-American consumer and we approached them about help with a diversity-targeted brochure series they've helped us launch. On the next couple of pages you'll see some of our marketing objectives specific to this issue. These are also been detailed in the marketing plan that you have copies of. You'll see the first bolstering our existing marketing programs, and then the second being promoting and preserving Austin

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heritage through strategic content marketing efforts and grant fulfillment. You'll see sprinkled throughout some of the specific strategies helping us achieve those goals. Now, before we really start, you know, investing in production and media, we wanted to make sure that we were grounding ourselves in research. And so where we started with that was with our visit Austin target audience and this is described as the curious urban traveller. This is a mind-set that's inclusive of all races and regions and creeds and some of those highlights are these people value experiences over things, they're music lovers, food and drink explorers and cultural enthusiasts. We dug a little deeper to see how this travel mind-set applies to the African-American, hispanic and lgbt Q communities and look forward to expanding this to other segments as we move forward with this program. When we looked at all three groups, it was important for us to focus on the common thread between them, and that was the importance of community wherever they travel. So there were specific nuances between each group and we turned those into really implications that could help inform our marketing. For the African-American traveller we learned that they're seeking solidarity in groups so the implication for our marketing is to promote group activities around segment passion points. For the hispanic American we learned they're seeking this can experiences so the implication for is to promote authentic community members, businesses and local history. For the lgbtq, we promote awareness of Austin's brick and mortar gay community, its leading figures and its energy. On the next few slides I invite you to spend time whenever you're able to go through some more of the specific insights to each traveller.

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Now I'm going to tell you a little bit about some updates that we made to our website. We've always had diverse content available for visitors at [visitaustin.org](http://visitaustin.org) but we wanted to make sure they were more available. On the left on this page you'll see that we brought cultural heritage right to the main navigation of our site. What you see on the right is the different landing pages that you can access once you clicked through there. And then with any -- within each of these sections you'll see kind of a breadth of content that you can obviously visit on your own by going to the website. A few specific updates to call out here, through community partnerships and the meetings that we discussed that we've been having this year we've updated many of the city-owned event venue listings on our website. We updated location, hours, website info for city-operated museums and resource centers and we're currently working in partnership with the city to make sure the events calendar were reflect -- where relevant to visitors can be fully integrated with our calendar. This is a sampling of some of our digital marketing. One thing I want to call out here is that our creative campaigns that are targeting diverse segments are really an extension of what we do for the general market. It's the same look and feel. It's that same Austin tone, but the messages are nuanced to the audience, again, that curious urban traveller mind-set. In terms of content integration, one of the -- really what we value a lot about having partners in the community is that they can contribute directly to our website and to our blog series. Here you'll see some examples of how, for example, the asian-american chamber of commerce was able to be a guest contributor to our blog. And you'll see where we've worked with partners to make sure that our visitor insider guide is also reflective of all of our

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offerings in the city. This next section is just to really talk more about local community involvement. I'll go through these quickly -- the -- part of visit Austin has held an annual government tournament for the past three years, raised \$60,000 for the downs field revitalization project. In visit Austin helps support the launch of the inaugural achievements in black Austin publication and event. Worked with the greater Austin black chamber of commerce on taste of black Austin. During national travel and tourism week in may vis Austin launched a new event called the give back gig. As part of this event the entire hospitality and tourism industry rallied together and as a result raised \$40,000 for local nonprofit art from the streets, whose mission is to provide a safe space for homeless and formerly homeless artist to create. In your folder, you'll see a brochure title the the field guide to the soul of Austin. This is the first in a series of diversity brochures that first came to us as a request from some of our meeting planners who were looking for more information to pass on to their conference attendees. And then we saw how that also applies to a leisure traveller. Within that folder you'll see that piece. We had an opportunity to meet with councilmember Houston and some other city stakeholders that she brought together to review this and make sure their input was heard before we took -- before we took this to the printer. Moving beyond this piece, so we've launched the series with the African-American guide. We're currently in the works of developing a Latino field guide that will be provided in both English and Spanish,

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and for that reason we'll probably be working on this through the remainder of this calendar year. And an asian-american field guide and lgbtq field guide are land and in the works for fiscal year 17-18. In terms of lgbtq specific marketing we've made the same updates to our website, again pulling lgbtq to our main navigation and providing content more readily available to visitors. Our marketing efforts are a mix of print and digital advertising as well as serial marketing. Here you'll see examples of New York pride in partnership with travel magazine that helps promote travel Austin during our pride week. I'm moving on to talk about Austin music community support. As we promote the live music capital of the world it's important that we keep local musicians working and give them valuable exposure to convention groups and visitors. So you'll see visit Austin we only hire local musicians locally and talking on the road to us for trade shows, media opportunities, international events, et cetera. Through may of this year, we booked 160 local artists for these events, which was a result of about \$312,000 that went directly to our local musicians. We're really proud of that and how we're able to work in close partnership with local Austin musician.s you can read more in your packet about the annual visit Austin air stream tower but that's another example of how we're taking Austin on the road and pieces of Austin, including our live music seen. Live -- scene it building on historic tours we saw earlier, I wanted to note there's a sixth square walking tour done by the

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Austin visitor center. We've seen about 136 participants through may. Some of the points of interest are listed here. And, finally, I promise I'm almost finished, convention sales support. So part of our role is also to help our sales team promote the destination as we continue to prospect and pursue more and more diverse organizations to bring their business and their meetings and their conventions and events here for Austin to host them. This first example is a bid that we worked on in partnership with the Austin sports commission to bring the gay games to Austin. Here you'll see a meeting planner insert tool that serves as the supplement to the diversity brochures that's included in your packet. And then, finally, as a result of all of these efforts, we're really proud to show that there are a number of booked groups in the diverse space here. You'll see the Texas legislative black caucus, the national minority supplier diversity council as booked and confirmed, bringing their business to Austin. Then on the right of this page you'll also see some of our prospects. I know that was a lot to take in, but we're really excited just to share what -- the redirective of those funds enabled us to really do in this space. We're proud of the story that we have to tell here and I'll happily answer any questions you have. >> Troxclair: Thank you. Appreciate it. Members, any questions? >> How much did you say -- >> Troxclair: Mayor? >> Mayor Adler: Sorry.

How much did you say at the beginning that this was new initiatives? >> It's about 90% is new content, new initiatives. >> Mayor Adler: This -- I think this was perfectly responsive to what the

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council raised as challenges a year ago. So how does this -- I want to make -- there were several people on the dais that were strong proponents of that in addition to the councilmembers that were here. How do we get this information to them? Will this be coming to the council? How otherwise do you report this work to those folks informal. >> So we've already had the outreach to councilmember Houston's office and we actually reached out to Casar, Garza, Renteria's offices as well to make sure they're involved with the hispanic publication, we've also reached out to Jimmy Flannigan's office. We plan on working directly with the council office during creation of all of this can't moving forward. >> Mayor Adler: I think it's important for councilmembers to see not just one aspect of this but to be able to see the totality of this. >> Right. >> Mayor Adler: Thank you. >> Troxclair: Mayor pro tem tovo. >> Tovo: Thank you. I agree -- I appreciate, as I said with the heritage grants program, I think that, you know, in looking at it -- again, I haven't lined up the numbers but there are definitely some repeat grantees but also some new ones so I appreciate the additional outreach and the additional focus on really trying to expand the pool of those getting heritage grants. And also I agree that the cultural -- the efforts to expand heritage tourism and diversity marketing is a very good direction. I have some just quick questions. One is that is this presentation that you just distributed slightly different from the one in our backup? Okay. Thank you. I couldn't tell if I had shuffled my pages or if it was just a little different. Okay. Thank you. Austin visitor center walking tours, these three walking tours appear to be the same ones that you've had for a while. Is that correct? And are there new ones? And is the one that was later in the presentation

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also a walking tour of sixth square and was it just later in the -- I guess what I'm trying to determine is whether the new walking this year that have happened since last year? Is it the sixth square? >> The sixth square is a newer tour and, yes, it is a walking tour. The other walking tours we shared, we have been doing those, they're not new tours but we've put more effort into promoting them to make sure visitors are aware of them and taking advantage. >> Tovo: Is there a reason -- was the sixth square tour just later in the presentation because it fit into that section or are they offered -- are they not promoted in the Austin's visitor center. >> They're also promoted in the Austin visitor center. Just placed in the diversity content section. >> Tovo: Got it. Thank you. Can you help me understand, on slide 25, I think you explained how you came to these assessments and maybe you mentioned focus groups, but I

wondered if you could give us a little more information about how you came to the inclusions and who was involved helping you come to the conclusions that you did on page 25. >> If you go back a slide to page 1950 it's just -- page 1950 it's a snapshot of that methodology. First is secondary research and we worked on this with the strategy team at Latin works. So the analysis of news, pop inclusion history -- pop culture, history, getting your cultural and social bearings there. Finally or also primary research. So this included some ethnographys that Latin works conducted within these different consumer segments. They've done with this with us and other clients as well to really understand those different consumers. Then syndicated research. So pulling on Simmons consumer surveys and things like that. We're in the process of budgeting and pricing out efforts to do more primary research so going into different markets that have a high propensity to visit Austin and have one on one conversations as well as

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focus groups to go even deep we are this learning. >> Tovo: With regard to the primary research, how did Latin works conduct those ethnographys? Are those through interviews? Was that just research? I mean, I guess what I'm trying to see, were there opportunities to actually have focus groups here, and how did -- really, how did that second bullet get developed? >> So four, we actually took advantage of some of the works they've done specifically to visit Austin and looking at the travel space. And then we also looked at light categories that they worked with with other categories who they have in-house where they've done the research with one on one interviews, with focus groups in different markets and made some application to travel. >> Tovo: All right. Thank you. On page 25, I think I need you to explain what promote group activities around segment passion points means, please. >> So here in terms of segment passion points we're looking at things that really align with Austin passion points, and so that's music, that's food. One of the things that we've called out in the heritage brochure -- excuse me, diversity brochure are, you know, places of worship and things like that that we may or may not include for other segments. >> Tovo: What does the segment mean? I'm sorry to wordsmith it -- >> African-American travelers. >> Tovo: Okay. All right. Thank you. >> Mm-hmm. >> Tovo: And with regard to the groups on 65 that have been booked -- and I know you have to book for the convention center business you book years in advance sometimes for those conventions so I was interested to know of those groups who are booked when they book them. Are these all clients who have booked in this last year, or are they same who have booked prior to last year and still awaiting their convention?

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>> Ethnographys me get back to you about that. I will tell you for sure [indiscernible] And they've actually filled the -- they're about 3,000 rooms on peak night. It's a very powerful organization and

minority communities are thrilled about that opportunity. We'll get back to you. >> Tovo: That would be helpful. What was that you said about Dell date? I didn't understand what you -- >> When Dell left to go to Las Vegas, that left 2018 dates available. >> Tovo: Dell dates. >> Sometimes I speak fast. >> Tovo: Some of the language is very unfamiliar. Thank you very much. I appreciate it. >> Sure, sure. >> Thank you. >> The chair has gone to get water, asked me to take over the chair. Any other questions on this? Again, thank you very much. >> Thank you. >> Mayor Adler: Very good work. >> Thank you. >> Mayor Adler: What can we take care of quickly on the agenda? >> Unfortunately, without a -- all three of you, I don't think you can take action on nine, which is a quick one. We can start the presentation on five or either way -- and now we can take action on nine. >> Mayor Adler: Okay. You said the action on nine. Nine was quick because of the presentation issue? >> Yes. On nine we did -- we presented an executive session. This is due to security issues so we're required by state law to present in executive session but also need to accept the report in public session. >> Troxclair: Is there a motion to accept the report? The mayor seconds it. All those in favor. And the report is accept the he he. Okay. I think that we will --

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let's see -- yes. So we have about 30 minutes to get through hopefully items five, six, and seven or longer if mayor pro tem wants -- but hopefully we can get through them. So I guess we'll take up item number 5. >> Excellent. Audit of the demolition permit process and the manager of the audit was Patrick Johnson, lead was Andrew, P. >> Good morning, Andrew Keegan, supervising senior auditor. We did this audit to determine if the demolition permitting process was effective and efficient. Some background. Demolition permits ensure that demolitions are done safely, they comply with rules and ordinances and laws and regulations and they minimize impact on neighbors. Since 2008, about half of all permits were for property in districts 9, 10, and 3. Although permits were for property in every single council district. This audit specifically looked at permits approved in fiscal years 17-16, which was about 1700 permits split evenly basically between the two years and that's about a 50% Mrs. In permits perfect 2008. In those two years, almost 80% of the permits were for single-family homes. The rest were for commercial buildings, accessory buildings, which are sheds or car ports and about 1% for multi-family buildings. We found that the permitting process is not designed to meet the city or stakeholder needs so first applications are accepted by two departments. The development services department accepts applications for residential property and the historic preservation office, which is in planning and zoning, handles applications for commercial property. They do that even if the property isn't eligible for historic designation. They also review residential property if it is eligible, so if it's over 40 years old.

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We noted some safety risks that may not be fully considered. Some of the properties in the sample were -- in our test may not have been tested for asbestos. There's also no consideration in the process for the possible presence of lead paint and the environmental protection agency recommends homes built before 1978 undergo lead abatement. There's no requirement that contractors are qualified. In about a quarter of the applications we looked at they didn't include the contractor's information on the application. San Antonio actually requires a city license for demolition contractors. So that was a difference we saw. Next we saw that property owners are responsible for certain tasks during the process and there's limited verification these occur. So one of the things the property owners have to do in the process is contact Austin energy and Austin water before the demolition. This is both to ensure that those departments are aware of the demolition so they can either cut service and protect meters and pipes and other infrastructure on the site. We also noted that the impacts to protected trees may not always be addressed. We had a sample of 23 properties and the city arborist identified three of those that would have a tree that required protection. Two had a tree review after the demolition and six did not have a tree review. We also noted that staff indicated that most of the times when they go out to do the demolition inspection, which the property owner is supposed to schedule after the demolition, new construction was already in place on the site. In one of the inspections that we observed, the inspector had actually already visited the site to and the new property when we went out to do the demolition inspection so there's some efficiency issues there. We also noted that notification about demolitions is limited, so

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there are some requirements to notify in some cases specifically if the application for demolition goes to the historic landmark commission, the city provides notification to -- owners are required -- properties that don't meet those requirements, there are no requirements for notification. About 90% of the properties in fiscal years 15-16, the applications were approved on the same day that it was reviewed. This may present an issue if residents are seeking to appeal the permit or if neighbors may be impacted by demolition activities. Last, we noticed that required documentation is not always collected and it may not be necessary in some case. Of the 23 applications we looked at 21 did not include all the required documentation. The table here on the slide shows some of the required documentation and the percent that was missing. Staff are allowed to waive certain requirements in some cases but there's no guidance on when that can happen and what the reasons are. One of the items that's required on the application is a certified tax certificate but neither development services staff or historic preservation office staff knew why that was required. In fact both departments said the other department needed it. And this -- since this has to be certified, we were told this is what's preventing application being accepted online, online applications may be more efficient for both the city to process them and more efficient for applicants to submit their permit application. As a result of this work, we identified -- we made two representations to the development services department director. The first was to meet with



stakeholders and basically determine what the process needs to accomplish. And then the second recommendation was based on those meetings, redesign the process and implement those changes.

[11:08:50 AM]

That clears my presentation. I'm happy to answer any questions. >> Troxclair: Thank you for that presentation. Members, any questions? Mayor pro tem tovo. >> Tovo: I have some. Thanks for your work on this issue. This is a -- demolitions are of concern to me for a lot of reasons and I have the highest number happening in my district so the safety aspects, which is what we're talking about here today is certainly of concern to me citywide. So I wonder -- and this may be a question for -- well, I have a couple questions for staff, and I may need to go back and forth a little bit. If something could provide maybe from the staff -- from the department services staff side could provide some explanation of why commercial permits are routed through the historic preservation office? >> Sure. >> Troxclair: Do you have a staff response that you would like to go through? >> Actually, council, Rodney Gonzalez, director for the department services department. We provided our management response so it should be an appendix within the report itself. >> Tovo: So if you would just -- how do you want to handle this? Shall I just ask questions. >> Troxclair: Yeah. >> Tovo: It sounds like they don't have a prepared report. Can you help us understand why commercial demolitions are routed through historic preservation rather than through department services? >> Sure. Historic preservation is in planning and zoning so I think director Guernsey would want to respond. >> Greg Guernsey, planning and zoning. I think in the past when we were planning our department review department they were basically going through a single department. This only really became an issue after probably the

[11:10:56 AM]

split. I think it was done by practice, there weren't as many commercial buildings. I think probably at the time when it went through historic plan -- or heritage preservation staff, I think they were actually look at one time both residential and commercial and that ended up being just commercial towards the end. I had already been working with Carl on Rodney's staff, the assistant director over department services to actually migrate that process from coming to historic preservation office first and actually going to the department services department because Rodney has already set up and made improvements for the intake of demolition permits among other permits so we were already coordinating them before the audit actually started. So I don't know all the particulars on that but it is something we were already in the process of working on to correct before the audit even started. >> Tovo: So there's no -- it's sort of a creator of history, it sounds like. >> I think it's a creator of history and that the number was actually smaller. >> Tovo: Okay. And so can you confirm my understanding that single-family residential

demolitions are not rudder to do an asbestos abatement? >> We're going to have Joe hey, our building official, enter some of the -- answer some of the more technical questions. >> How you doing? Yes, the state law requires only for commercial properties when they have more than four units to actually provide that, that survey. It is not required for single-family houses so that's what we're doing now. >> Tovo: Is that something we could adopt as a city ordinance? >> With regard to that matter, we've talked with legal about this issue, and the concern is preemption, either preempting existing state law or federal law, and so we've sought legal guidance in that regard and I think that their concern is that any local ordinance needs to not overstep the bounds of state law or federal law. >> Tovo: Okay. And that's something that we can visit with legal about. So then my question -- my

[11:12:57 AM]

next question then goes back to the auditor. I appreciate the work did you, and I think it's very helpful for us going forward. I just want to talk about one of the footnotes on page 5 of your report. It talks about the random sample that you selected of demolition permit, five were selected from single-family residences, multi-family residences, less than four, commercial structures and non-residential structures. I was wondering, since this -- I think this tracks to the section talking about asbestos, it seems like you've included some properties within your sample that aren't required to have asbestos testing. So I wondered if you could just address that point for us. >> Sure. Those 23 that we looked at in the sample was the entire test, but then for the asbestos we carved out the eight of those so there were five commercial and three multi-family, five or above. Of those eight -- >> Tovo: I sees that talked about in the language. Okay. Thank you. And so I understood the audit to -- one of the -- one of the points that it raises is that we don't -- we don't appear to have a recommendation -- a requirement that only qualified contractors perform demolitions and there doesn't appear to be a requirement, my understanding the assertion correctly that there doesn't appear to be a requirement for our staff to consider whether lead is present? I guess that's a question for the auditor. Was that one of the things that came out of your research, that there doesn't appear to be a requirement for an assessment of lead? >> Correct, there is no requirement that it be done. The EPA recommends it be done for homes built during

[11:14:58 AM]

1978 during demolition, but there isn't a requirement. >> Tovo: Thank you. I would ask our staff and maybe we need to talk about this outside if it involves some legal issues, but if there are issues cited in the audit that we don't have requirements around, are those things that we can adopt again as a local practice? One would be that qualified contractors need to perform demolitions and then the second would be that thereby an assessment of lead content prior to that? >> And as we go through the

stakeholder meetings -- and I also want to thank the audit staff for a very good audit on the demolition permit. As we go through the stakeholder meetings we're certainly going to gauge that sentiment from the various stakeholders with regard to lead and other safety measures. And then we intend to come to council with a full report of what those stakeholder sentiments were and of course what the department recommendation is going forward. >> Tovo: I guess I was really asking whether city ordinance could regulate in those areas. >> That might be a question for legal that we can certainly ask. We certainly will work with legal during the -- during this exploratory period. As I mentioned when we go through the stakeholder meetings and various sentiments come up we can certainly gauge what we can do from a legal perspective in terms of city ordinances. >> Who is part of the stakeholder process? And I don't know anything -- I'm sorry. I've missed -- I'm not sure what stakeholder process you're talking about. How long it's been going on, who is a part of it, what the outcome is anticipated to be. >> That was our first recommendation, is to meet with stakeholders. So we included things like city departments, contractors, resident groups. >> Tovo: Got it, okay. >> Property owners, renters. >> Tovo: Okay. I think that's an interesting recommendation. I'll give that some thought. I think, though, your report highlights some areas where we probably need stronger policy arbitration kind of my take-away from the report. We have had such a increase in demolitions, I know there was a decrease in 2008.

[11:17:00 AM]

It's a high enough priority for me I probably will proceed with some policy actions and I think those -- typically those public processes afford stakeholders an opportunity to come and talk. >> Mayor pro tem, if I may jump in real quick. I think one of the things we saw here and the reason why our recommendation is kind of broad, a stakeholder group to figure out what this process should look like was really because like you noted this process has -- maybe was established historically and I don't know that it was created intentionally based on all of the information that we have today. And so I think that having that group come together -- the reason we recommend that is to have that group come together and really Shea does an ideal process look like, I think this process has just come into place over time as various things were added or changed in terms of who is responsible. >> Tovo: Right. Yes. And so I guess I -- if the stakeholders are city departments coming together to determine sort of how to -- how the process should best work, I think that does make a lot of sense to me. In terms of whether or not we should have requirement with some of these areas, to me that may be a policy-level question rather than asking stakeholders who are building or, you know, otherwise -- whether they want to see those kind of regulations. The 90% of permits reviewed and approved on the same day, are those typically the permits that are going through development review or are those typically the permits that are going through the historic preservation office? Or can you break that down for us? >> I think most of them would be through the residential, going through department services. >> Tovo: Okay, great. Thank you. All right. Thank you. >> Troxclair: I had a couple of questions on -- okay. So the -- I mean, it seems like there are a few items

[11:19:00 AM]

that may not need stakeholder input. So I guess my question is, is it -- are there things that can be done immediately? For example, maybe getting rid of the requirement for a certified tax certificate since there's no demonstrated, I guess, use for that form? And potentially adding a notification of tenants for multi-family buildings smaller than six units. It seems like people should be notified before their home is DEM ol insider, regardless of how many units are in the building. So are there a couple things that could be done now or is it really do you feel like the process needs to go through a stakeholder process even for those things that there seem to be some agreement on and not have any -- and have all the changes, I guess, made at once, next year? >> There certainly are some process changes we can make need. For instance, I think you saw some notation of some forms that were missing that weren't included in the specific plan application. So we want to make sure that our procedures are tight such that we don't miss any of those forms so that way we have complete packages. We're certainly going to look at it from those two lenses, what can we do administratively to tighten up the process, make sure we're following all the requirement, got all the proper documentation. But I think as audit had pointed out then go through that larger stakeholder process to look at some policy implications in terms of safety, et cetera. As to how the city can best approach the demolition permit protests. >> Troxclair: Okay. So there are some things that you would be doing administratively immediately. >> Yes, I firmly believe thereby some administrative things that we'll be doing. >> Troxclair: Okay. I guess on the owner notification for tenants of buildings with more than five units, I guess there must be a reason that that limit is in place. Is there -- I guess is there a reason that that wouldn't

[11:21:02 AM]

apply to any tenant of any building? >> I believe that was a recent council resolution that was adopted with regard to notification. >> Troxclair: Okay. So that wasn't previously required. There was no notification required previously? >> Yes. >> Troxclair: Okay. I see. And has that -- I guess I would be curious to know if that has been an issue. I mean, I know that -- now that you're reminding me, I remember that that resolution came about because there were issues with multi-family developments being torn down. >> Mm-hmm. >> Troxclair: Without adequate notification. Have there been -- do we know if there have been issues with, you know, fourplexes or anything like that where tenants weren't notified. >> Not that we've been aware of. The issues were highlighted in some media stories and that's how we had all become aware, but we haven't seen anything or heard of anything like that with regard to fourplexes. >> Troxclair: Okay. Thank you. Any other questions? >> Tovo: I would just say, you know, through the years I've gotten concerns from neighbors who see a place being torn down and they're concerned about the dust and other things so I do hear in my office sometimes about, you know,

adjacent neighbors who would have liked to know the demolition was occurring just for health reasons. >> Troxclair: Okay. Do we need a motion to accept the audit? Okay. Is there a motion to accept the audit? Motion by mayor pro tem tovo, seconded by the mayor. All those in favor. All right, the audit is accepted unanimously. >> Thank you. >> Troxclair: Thank you. That will bring us to item number 6, which is staff recommendation to add further functionality to Austin finance online. Yeah.

[11:23:22 AM]

Are we taking up -- are these items being taken up together, items six and seven? >> Yes, ma'am. >> Troxclair: Great, thanks. >> Committee chair members, James Scarborough, purchasing office. I have with me two other members of the management team of the purchasing office it to my further left is Mike Benson, our chief administrative officer who will be addressing our project associated with an update to the database and next to me is mark Walsh, our I.T. Data architect and procurement -- who will be addressing various aspects of our financial systems and also our online bid receipt project. My apologies for the late submission of some of the backup for these items. This this is just an update presentation. There's no action that we are requesting from the committee. But as we proceed with these projects, given their visibility to the public and their impact on city business, we would like to keep the committee informed and let you know that we'll be coming back at a future date to request some additional authorizations in these regards. Of the two items that we wish to address, to give you some context, we just would like to share a few slides to show you and perhaps point out some aspects of the city's financial systems so that the update on the two projects will -- resonate -- [ no audio ] >> Troxclair: I just wanted to confirm -- I know you just said this but this is just for briefing purposes and there's no action required. So if one of the members needs to step out for another meeting -- >> That is absolutely fine. >> Troxclair: These will be the last items we take up draft audit plan for next year at our next meeting, if that's okay. Great, thanks.

[11:25:23 AM]

>> Did you want to touch on this, Greg? Or go ahead? Okay. So just to give you some context with regard to how these projects are -- or where they operate within our suite of financial systems, I wanted to ask my colleague mark to just give you a quick overview snapshot of the financial application that's the city relies on. >> Good morning, everyone. You'll see a lead-in slide that talks about our in-house expertise as James just alluded to when we start talking about our changes that impact our vendor connection piece of software. This is material software packages that we delivered and developed here inside the city. And they are riding on top of various commercial products and we can dive into that if anyone needs that level of detail. The points that can be made there, though, again, are we have made

ourselves here in the city a full fledged enterprise resource planning system as opposed to buying one from Oracle or from another provider. By the time that's said and done there's quite a few pieces that are connected to one another, as you can see in the graphic that is up right now. The green box, our financial system, our payroll system, variety of things that have to come into those pieces of software for information and then receive other elements of information going out. An inventory list is on the next slide. So, again, advantage of commercial product our financial system, banner, commercial product is our timekeeping system. Everything else listed is something developed by in-house staff. That I range from project management to budget building to the city's award-winning transparency financial site. A quick review of the noteworthy achievements of this team across the years,

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twice we have been singled out by the government financial officers association of the united States and Canada as an award for excellence in electronic government and in 2012 Austin finance online, which, again, includes under connection, which is where we'll end this briefing with. We have a continuing certificate for achievement in excellence and financial reporting on behalf of the controller's office and in the purchasing office a continuous award of excellence in procurement from the national procurement institute. Delving in a little bit at a more detailed level, afo, abbreviation for -- most of the rest of the pages, there is a box of links that is driven by visit frequency. As you might well expects the city's job site is the most visited site in the city's internet presence. Second of all, however, is Austin finance online. And you see some of the other things that fall behind it. Wanted to touch lastly on the idea that these products that we built inside were copyrighted several years ago. We had a number of questions from external communities, palm beach county, for example, who uses the same financial system and certifies its minority limit on vendors the same way to see if they could access our intellectual intelligence and property. It's important to note all of these things being developed by the city itself, there are no licensing agreements, third party agreements or anything else. They're totally under our control to build out, extend as we see fit. We'd [indiscernible] You'll find that on the slide graphic online right now running right up to 2017 with the release of audit finance online with version two. Are there any questions I can immediately deal with with those invades I realize we're short on time? >> Chair, I.

[11:29:25 AM]

>> If I could add to that, just to expand, the reason why we went through U.S. Copyright protection in our systems is we're one of of the only organizations in the country that have built these custom built systems hooked on an off the shelf software system. What this has allowed us to do is not only avoid

expensive maintenance and licensing costs, but allows us to be agile and flexible to meet the needs of both our external customers and internal customers. And I think you will see that especially as we get to vendor connection. It's a key piece. In fact, in essence we abandoned the commercial piece to go to a custom built system that was more friendly and user friendly and responsive to our vendors' needs throughout the community. So we're kind of very proud of what these guys do everyday kind of behind the scenes. You don't see a lot of what they're doing but you can tell from the website and the clicks these are really -- we have created a functional Erp system and all of these systems are systems of record. So I want to just give them a shout-out. >> Troxclair: Thanks for adding that context. Mayor? >> Mayor Adler: When you get an inquiry like that from another entity to have access to some of our proprietary systems, to add, I guess, the buildout, the part that they have that's the same as ours, do you share? >> Mayor, we do indeed share. It was about a year and a half ago that palm beach set a delegation to sit with us for an entire day to figure out how we configured the financial system and on the end of the minority and women owned business program. We try to share it to extent we can. >> We even had at a conference, the cgi, off the shelf system, which is the best practice to have that, at one of their conferences several years ago, we've talked to them about this opportunity as well and we even hosted a kind of informal forum

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of users that we set up and we demonstrated all these projects and I think we had 15, 20 different organizations around the country, including city of los Angeles to come look at all the work that we've done and it led to that copyright. So we're happy to talk to our colleagues around the country. >> So transitioning from the context of which these systems operate to two of our current projects, given we created the vendor connection, periodically we need to clean it up. It's a database like any other database and it's outward facing where the vendors manage their own profile, tell us who they are, how to contact them, what they're interested in receiving notices about. This particular database has not been updated in a number of years. Mike will provide some additional detail in that regard. So what we are embarking on this year is a review, a refresh and a request for updates to a segment of the vendors registered in the system so we can update the data to bring about some efficiencies and possible program implications down the road. So I will hand it over to my colleague Mike for this part of the presentation. >> Thank you. So I'll try to fly fairly quickly since we're short on time. We started off in 2006 with about 20,000 vendors. As of last week when we ran the query we had over 45,000 registered vendors. The last time we did an update where we cleaned up some of the vendors was back in 2010 when we migrated to vendor connection from that cgi in-house proprietary vendor registration system. The biggest issue we have is, you know, emails that go bad over time. We have vendors that that never registered with the commodity code, which is what we use to notify vendors when we send out solicitations.

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So what is our goal? We want to clean the vendor database. As I said, we have bad emails, we want to update and enhance vendor connections with various database fields. A prime example is the industry code. So currently we have all of our vendors that we notify by commodity code, which you think of an industry code being an electrician versus a commodity code might be I'm installing lights versus I'm installing an outlet so we're bringing it up a level so we can have fewer codes and notify on a broader case. Base. We know that a lot of our vendors don't have valid emails anymore, so we also will be doing updates, communication via our website. We will also do U.S. Postal mail near the end of the project. We also want to minimize vendor and public concern which starts here today which includes mbe, WBE, et cetera. So what does it mean to clean up our database? Effectively we want to see vendors that no longer do business with us. Those with no recent activity. I'm not going to go through all the email. But based on the initial queries, we've identified about 20,000 of the 45,000 that are potentials for inactivation. Vendors we will not be inactivating. So other account types, customers, what does that mean. So hotel-motel tax, people that pay us. Obviously we don't want to inactivate them. Anybody that is an mwbe certified firm we will leave active regardless of whether or not they've had recent activity with us.

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And also obviously anybody that's had recent activity with us where we're paying for placing orders where we will not inactivate. That total is approximately about 25,000 of our 45,000. We will be asking these folks at some point in the near future to add that industry code that we've talked to you about recently with the 25,000 vendors as well. So I'll let you read through some of these as well. I'm not going to read them all out. While we inactivate a vendor it's easy for them to get activated. We're not deleting their information. There's a flag in this system that we just turn off which means we will no longer notify them when we send out solicitations. They will no longer be able to cut a purchase order or receive a check, but if they sign into the vendor connection, log in, give us the information we've asked about, valid email address and industry code, their account will be turned back on. A brief timeline. We plan on meeting with the mwbe committee in September and other groups as needed. We are developing changes in the vendor connection database, adding that industry code, making it required for all vendors. It currently exists in the system, but it's an optional field. Tweaks like that. Also additional tweaks on round trip version for emails when vendor connection first came up you could just sign up with Mickey mouse@hotmail.com. We didn't care -- well, we cared, but we didn't have controls, so now we will have the round trip version so you can log in, click a button, let us know that is an



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actual email address. The plan is to have vendors update their information during the first quarter of 2018 why that's spread out when we did this in 2010. We did this and it had with our vendors and staff and it is spread out over a three month period. Anybody that does not respond via the email we will then go ahead and send out postal notices in April with a final. Email. I'll turn this back over. >> So just to wrap up this particular update regarding the database cleanup, vendor connection is where the public goes to see the city's solicitations. This is where they go to see the addenda to the solicitation, to see who was recommended for award and so forth. So it's a really important public facing website and application. So we need the database to be up to date and accurate so we can communicate effectively with our targeted markets. So what this -- what this project is attempting to do is to communicate, communicate to the elected officials and to the public and to the business community that we will be asking for some attention and response to the accounts to reassure them that we are not deleting accounts. We are only contemplating inactive accounts that do not appear to be active. We are attempting to communicate, as I said, more effectively to reach a broader audience, to increase competition for city contracts. And also to create some opportunities for future program -- program opportunities in the

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future. So with that, if there are any questions on the database cleanup, we can go ahead and I'll provide a quick update on online bid receipt. >> Troxclair: Mayor? >> Mayor Adler: The goals that we set in the mwbe, is that the percentages or the goals does that vary by the number of minor-women owned businesses that are in a particular area when we're bidding on those? >> Mayor, generally speaking that is correct. We have -- >> Mayor Adler: So then my follow-up question is: Since half of the entries in our system are not coded, by getting everybody to be coded if they're in the system, that ought to make that information more complete and more accurate. >> More accurate, yes, sir. >> Mayor Adler: All right, thanks. >> Troxclair: When will you need -- do you need any council approval during -- throughout this timeline? >> No. Databases have to be refreshed and cleaned up occasionally. And when we do so we find that the most important part of that project is to communicate and is to notify the public, notify the interested parties and what's that's what we're attempting to do here is notification at the highest level. And through our other various museums to go through the other databases. >> Troxclair: Very excited about this. If vendor databases are updated and we have the correct -- we're communicating with the right people about the solicitations that are offered, we're going to allow more people to bid on jobs that are responsive to the work that they do and hopefully that will ultimately translate in more competitive bids for the city and kind of better bang for our buck when we're contracting with vendors. Hopefully it will be a win-win and I'm very excited about it all. >> Councilmember, I

[11:41:36 AM]

might be stealing the thunder, but this is also on the creation of vendor connection. We walked away from in essence a commercial application to do something that fit Austin better. And even that process to do that involved a tremendous amount of outreach with all the vendor community to help build that site and then to train -- to train them, kind of almost collaboratively to train together with staff who would be using the new system because it is also used internally as well as solicitations get put online it has become a clearinghouse and it's from that original diagram it is connected into our capital delivery systems as well, but there is a streamlined approach that they're getting advertised. So this approach that James has laid out here is consistent with 2010. We want to amplify that this time around and as we move on to this next phase as well. >> Troxclair: Thanks. >> So while we've got the hood open and we are cleaning up the database, one of the things that vendor connection allows us to do is it allows the vendors, the business community, to log in, tell us who they are, what they sell, and while they are logged in, we know who they are and we can receive information from them. And a logical extension of receiving information from a company is to in fact receive their offer in response to a solicitation. So what we would like to work on this year is to take the first step in enabling movement towards eprocurement, but the first is to receive offers online, online bid receipt. So I'll turn this presentation over to my colleague mark and we'll conclude with a quick view of a prototype of what solicitation would now look like. We have the fortune of actually showing you what the new Austin finance online 2 is looking like right now. And without further adieu I will hand it

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over to Mr. Mark. >> All right. Continuing with the process, as you might well imagine in a paper driven world, taking hundreds of solicitation packages sometimes in multiple copies and having vendors transport them to our physical location, having to store them securely while we're waiting the time and date which they should be opened, manipulating those piles of paper out to various evaluation committees or others represents a significant administrative issue. And it has for every government for as long as I've been in the trade. Bless you. We've got a list of those sorts of things. Again, they're all administrative burden. So we hope to work towards a world where some of that is alleviated. We're looking at implementing online bid receipt so that we can year more and more of our tool set. I think it's worth highlighting what both Greg and James have said here. Because we have built these systems, we are capable then of extending them so that we can use every aspect of the financial system, the capital reporting system, and the various things that are connected to it to hit these four bullets, which are worth reciting. We're increasing efficiency and transparency and participation. We are intending to drive better pricing and better contract terms and value. We are enhancing our ability to meet council's policy

objectives. And we are continuing to ensure public trust and confidence. On one of the previous slides I pointed out that Austin was very much a thought leader in 1998. We were one of very few jurisdictions in the United States of America, and the only one in Texas, to place our solicitation packages online for public accessibility. We're simply carrying that legacy farther than we had originally

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anticipated. Online bid receipt will be limited to the two major procuring organizations here in the city. That is the purchasing office and capital contracting. And initially we will look at things that can be handled by taking the pricing from a vendor and considering the rest of the implementation of that. However, in later extensions of our operations, we intend to look at a variety of other things to the point where we close in hopefully on 100% electronic response, enabling the vendor community to hit us with other devices rather than bring us a huge box of paper. We will continue to allow submission of hard copy offers. One element of statute says that this is incredibly necessary, it's an interesting and important way for us to address digital divide issues so no one feel left out by the fact that somehow they're excluded from an electronic response. I had already pointed out that purchasing and capital contracting will be the recipients of this, but there are other those who have delegated authority to do so and we will be looking in the long-term at these. The process going forward, we establish rules and we receive council's authorization. We continue to develop -- we intend to conduct a very, very limited number of controlled online solicitations, three to five, to ensure that we are watching everything in what we have developed as software. And from there to expand, extend and again reiterating James' point to communicate with the vendor community about this important resource. With that we have a link on the bottom of the page, and moment that I think we've all been waiting for.

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As James pointed out, Austin finance online 2 is the logical extension of our first efforts of online in [indiscernible]. It's got a facelift and function lift at the same time. The facelift in that we're changing the color palette, and that Austin finance will now deliver to devices as opposed to being a web page that shows up on your phone. I think this is a very, very important enhancement in every aspect that it can actually be. If you were to visit Austin finance online today you would see pretty much the same thing that you see here on this point of departure, which is a list of the currently open solicitations that vendors are being constructed that they can come and take a look at. Within any of them are details that are available so that a vendor, and that would include our minority and women owned business community, can get a quick presentation of what it is we're attempting to buy. In this particular case, shirts for APD. We provide the community with information about whom to contact where we're going

to have meetings to discuss this particular solicitation. If there are any special notes such as insurance. We provide and have again since 1998 the ability to download the various components of our documents or to simply open them on screen and review them. So the center of the page you will see that everything about what we intend to buy, including how the vendor is intended to return pricing, is available for download. And I had made the comment, as had Mike earlier about commodities, you will see that these two shirts, long and short sleeve, are items that we would find, if you think of commodity codes very similarly to the

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topic headings of the yellow pages -- I've really dated myself, I apologize, you will see that if you were to go to a heading that says want to buy long-sleeved shirts as opposed to short sleeves, that's what commodity codes do for us. But the most important point of all is that we've got it enabled for an online bid response. As we have looked at this process across the years, including a start in 2004, we know we have to make this very simple. I'm afraid I don't remember the number that the previous council posed to us why can't you make it simpler? I think we'll demonstrate that we did exactly that. So a couple of things before I go across this response to a bid. We're going to do five steps. We're going to authenticate that the person providing the bid and the company providing the bid are indeed in the business of doing so and are known to our vendor system. So on the first set three yes or no bullets, here's the first of three clicks. Yes, I'm signed in as Scarborough enterprises. Yes, I, the person signed in am authorized to provide the response and yes, my business has the capability to provide these goods and services. Second step, the pricing of the individual long-sleeved and short sleeved shirts. Third step of 5, confirming the pricing to make sure that you, the vendor, see that the math is extended and exactly what the scale of your offer looks like. In this case 6400 dollars' worth of these shirts by the time we're picking up the estimated, and I provided you individual prices for the two of them, long sleeve and short sleeve. You will notice their even rationally understandable, long sleeve shirt slightly more expensive than a short sleeve shirt. I have a number of things to help wuss this. Should I want to attach a time file, a pricing

[11:52:00 AM]

sheet or something, it works like every attach button on every web page that you've used. We use look at some acknowledgments, looking at yet again an opportunity to revise price. So these acknowledgments for this particular solicitation are very simple. I the person signed in have read the specifications so when I provide you these prices, this is exactly what you have asked for. I take no exceptions to the city's terms and conditions. I am pricing these in a way that includes every single

aspect of cost, including transportation, and in this particular case that a common carrier is going to deliver so that the vendor don't have to give you a separate insurance certificate. And by the time I've done that I've just generated a receipt which started at 11:50, was completed at 11:52 and now they're all on the screen, five steps, 120 seconds. Very, very simple. May I answer any questions or backtrack any of those screens for you? >> Troxclair: No, I think that looks great. Thank you for demonstrating it to us. >> Very impressive. >> Mayor Adler: Thank you. >> Thank you, mark. >> Mayor Adler: I have a question real fast. There was at the mayor's track at the south by southwest, there was a bid, a pitch contest. And the winning pitch was a group that was aggregating bid responses that governments had received across the country. So if you wanted to know in the last 20 days what price was paid for an smartphone, you could pull up the last 50 places those things had been purchased. Do we use any kind of service like that? Is it of any value? That kind of thing?

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>> Mayor, we actually met with that particular provider. They provide market intelligence services. There are other companies that provide similar services, but that particular provider is well-known to us. And that type of research is exactly the type of preparedness and research that we hope to do more of as we perform strategic sourcing. So in lieu of just responding to a statement of need from a department, we want to go and look into the market, see what the market is doing and with regard to the required products and services. And look to third-party intelligence provider like the service that you were referring to, to see what best in class are for the type of service and for benchmarks regarding pricing and best terms. So yes, yes, we are intending to incorporate market intelligence providers. >> May I add to the answer to that? As a small expansion to that question, mayor, we are aware right now that in our solicitation broadcasting process that there are eight aggregators of [indiscernible] Opportunities that use that, bid sync based in the Dallas area and then others. So we know we are feeding them information on solicitation, but it's important to know that Austin finance online has a component where we take our contractual work from the standpoint of payments, our checkbook, and a contract catalog and turn that into the very data that the folks who approached you now consume and now turn out stats from. >> Mayor Adler: It was my understanding that we were contributing to that pool of information, which I thought was really good too, but as I went through those materials, on any given bid there

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was a bell curve and there were those cities that were buying those commodities at a very good price and there were those cities that within the last 30 days had obviously just overpaid significantly for

things. So being able to utilize that market intelligence I think is obviously what they were intending. Yes, there are several in the field and I hope we're doing everything we can in there. >> So going forward on this particular project, we intend to provide a similar update to the mwbe advisory committee coming up this September. Then we will provide with implementing the changes in Austin finance online and vendor connection with regard to online bid receipt and we'll be working on that for the remainder of the calendar year. Then we would like to begin some limited online solicitations to get some procedural repetitions and develop some process knowledge. And we'd like to come back with an implementation plan with the specific dates and milestones for implementing online bid receipt and moving all of our activity to receive offers online. We would -- right knew we're very tentatively targeting October 1 or the beginning of next fiscal year to transition all of our activity online, but we'll come back with more details on an implementation plan. As far as council and authorization, this presentation is to just give you notice that we are proceeding with this project. Next we will proceed with creation of rules to address security and safeguarding of online offers. And then after the completion of rules we'll come back to council and request authorization. This is as required in local government code chapter 252. So once we have your authorization, then we will be able to start the testing solicitation that would occur throughout the remainder of the year.

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So we didn't want to bring that to you without an update first. So we're glad to answer any questions that you may have at this time. >> Troxclair: Any questions? I just want to say thank you on behalf of the committee. Both of these things together are very exciting. I think that they will definitely keep us on the cutting edge and allow us to get the most competitive bids and make a user friendly portal for the vendors who are the city's customers and a lot of other -- a host of other benefits. So I know that mayor pro tem tovo and Leslie pool would join us in thanking you for your work on both of these projects, and especially rolling out the new online website. I think that that's going to be just such an improvement. So thank you very much. And we look forward to seeing your progress. >> Thank you very much. >> Troxclair: All right. That concludes our audit and finance meeting for today. It's 11:58. And we'll adjourn. As a future note, I do think that we -- we generally have too many items on the agenda for us to expect to get through within two hours. So I know we pushed our start date from 9:00 to 9:30 and I think in the future we will have to set the expectation with the committee members that we'll probably need to go until 12:00. So thank you. Go ahead. >> I would say that unusual in that we did not have a June meeting so we do have kind of multiple meetings' worth of content at this meeting. But understood. >> Troxclair: Scheduling. I think this is the second time in a row that scheduling has been a little difficult. So anyway, thank you so much and we'll see you next time.

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>> Casar: Okay. We're going to get started in about a minute. >> Casar: Okay. Good afternoon, everyone. I'm Greg Casar. This is the housing and planning committee meeting. It is Tuesday, August 22nd. It is 2:11 P.M. We are at Austin city hall in the boards and commissions room. We are joined by vice-chair alter and members Renteria and Flannigan, and also joining us is councilmember kitchen so I'm calling today to order. Our first item of business is approval of the minutes from the meeting on April 28th. Can I have a motion to approve those? So moved by vice-chair alter. Seconded by councilmember Renteria. All those in favor say aye? And that passes unanimously. We have one, two, three, four -- four items today. One of them is some presentations from folks in the community that do affordable housing development. And I promise that when they get here we will pull them up so they don't have to wait through our briefings, but they aren't here yet.

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So we'll move on to our first item of -- our second item of business, which is citizen communication. I don't have a speaker's list so it's just if folks want to come we can have five speakers for up to three minutes each. And perhaps people did sign up, I just don't have a list. But it's okay. You can just go ahead and speak. If you just turn on the microphone and introduce yourself, you will have three minutes. >> I'm John Woodley, I'm an advocate for disability access. And I need to bring to your attention some serious issues. I'm an author of the letter of demand that was sent last June to city management, transportation management, engineers, law department, all of whom have not communicated with me concerning my letter of demand about removing harmful and unsafe obstructions from the roadways. As all of you are aware, the transportation director, Bob spillar, sent out a memo to the city manager and city council without speaking to the discussion and speaking to the stakeholders about people with disabilities getting physically harmed due to the construction of what they're calling speed cushion. They're not a cushion in any way or form. The transportation department has failed to show up for the bicycle advisory council and the mayor's committee for people with disabilities work session in which they were supposed to be open for public to attend and have discussion. The mayor's committee for people with disabilities who I do not represent the mayor refused to allow my public communication and treated my descriptive photos as a public comment when there were vision impaired people in the room. They refused to allow the public to be in the discussion of the main meeting which I regularly

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attend and not on the agenda. I do not have time in a three minute citizens communication to provide full details and data. We want inclusion safe for all, but not to the expense of those with disabilities, and the people that are having harmed, typically have skeletal disabilities. This is a serious issue and not a political for or against since people are getting physically harmed, please set up an emergency session open to the public to have a full discussion or at least put it on the city council agenda. Thank you. >>

Casar: Thank you, Mr. Woodley. Is there anyone else that wants to speak on a topic not on the agenda? Come on up. Thank you. >> Hello. Can you hear me? >> Casar: Yes. Go ahead and introduce yourself and you will have three minutes. >> I'm Dora Smith and I live in councilmember Casar's district and I'm 60 years old and I make between 250 and 300 a week and also collect \$700 a month in social security and I may not always be able to work. I've struggled to pay rent from one month to the next, and if I lost the housing that I have, where fortunately the landlord isn't charging market value rent, I wouldn't be able to afford a roof over my head and I don't know what I would do. As you know, even sharing an apartment in this city costs at \$650 a month. It's frustrated me that an effort at affordable and increasingly affordable housing in Austin focus on privileged groups, like musicians, veterans and school teachers. Little help seems -- there's some help available for the working poor and retired people, but not much. There's long waiting lists for it. And I really don't see any efforts to expand that. And I'm also finding that as somebody who is also in the position of seeking help

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paying their rent, there's remarkably little help available unless you're already living on the street, at which point all kinds of avenues to do I don't know what will open up, but whatever they are, you shouldn't already have to be on the street to qualify for them. That doesn't make any sense. Thanks, that's what I have to say. >> Casar: Thank you for coming. Is there anyone else? That wishes to speak on a topic not on the agenda? Okay. Thank y'all. Then we'll move on to item number three, which is discussion and possible action and a presentation on technology enhancements for tracking and monitoring our income restricted housing units. Ms. Truelove, take it away. >> Thank you. I think they're working on pulling it up eventually. I'll go ahead and start even though you may not have the presentation material on the screen. Rosie Trueluck, the director of neighborhood housing. We're talking about tracking the monitoring and tracking performance for the income restricted program. We were at your April meeting. -- Thank you. We were at your April meeting and chase clements gave an overview of our monitoring process and procedures. I wanted to revisit that to refresh everyone's memory. We have 78 funded projects that comprise over 3500 affordable units. Rent and income certifications are conducted by neighborhood housing and community development staff. The physical property inspections are conducted by blueprint housing solutions by contract. For our incentive projects we have 75 projects that comprise over 2700 affordable units and those rent in income certifications are conducted by blueprint housing as well as the on-site visits. The methodology we use, we have an annual risk assessment, 100% of projects are monitored during the



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first year and with a minimum of every third year thereafter. Ten% of the units are reviewed during each monitoring effort, and technical assistance is provided throughout the affordability period. The system of record that we have currently is our affordable housing inventory. This is a Microsoft access database. It's one that we created in-house that I'm very proud of the staff that worked to accomplish this. It helps to give us a system of record that we don't have right now. But as we'll talk in a few minutes it has some drawbacks that we'll want to ideally see addressed in the not too distant future. Our investment categories for increased resources for tracking and monitoring, we're going to continue to have third-party contractors such as the one we have with blueprint housing solutions. This funding requirement will be identified in the fiscal year 18-19 business planning process if there are any enhancements that might be needed to that. We have -- we're in our first year of our monitoring process and we have -- staff is conducting their first annual monitoring and blueprint is conducting their first monitoring effort, and I think we'll know as all of those efforts come to fruition with additional data if there's additional resources that might be needed for external contracting. And similarly with our nhcd staffing. Our portfolio is expanding hopefully greatly as we continue to work towards the implementation of our strategy housing blueprint. I think there might be a need for additional staff for monitoring. It would be - because I don't have any first round of reports ready, I would prefer to wait until I could plan that out and be a little bit more strategic with the additions there and that would be something identified through business planning in the coming year. There is definitely an opportunity for improvements and increased -- that would

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increase our efficiency through technology, and that's integration with our Amanda system. And as well as through community partnerships. And we have the folks from Austin city up who will be giving a presentation on that here when I'm finished talking about the internal city side. So the third-party contracts. Let's talk a bit about that. Blueprint housing solutions contractual services statement of work covers two primary tasks. First is property standards inspections. This is a one-year agreement with two 12-month extension options. Currently we're in year two. It's about \$31,000 per year with up to 600 inspections and 60 reinspections. The cost per unit -- the cost per inspection is \$57 and \$113 for reinspection. The second task is the income eligibility and rental rate version. This is a one-year with two 12-month extension options and we're currently in year one so we have additional time on that contract. That's 56,000 in year one and \$58,000 in year two and three. And that's a contract for up to 650 unit verifications at a per unit cost of \$87 per verification. Shifting now to our incertainly technology needs, as we talk about the affordable housing inventory, it's a Microsoft access database that was

created to track and monitor our housing portfolio. We use that as our system of record. We use it to create our monitoring plans and to record that information, but it is a Microsoft access database. It is not -- it was created as a result from an audit that the city auditor recommended that we develop a more substantial system of record so we have it, but it does not in the long-term really meet our needs. If you kind of think of it as a staircase, the first step on the stair was getting the system in place.

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Staff did a tremendous job of creating this from scratch, building it. We maintain it. But it is vulnerable because it is an access database that sits on a drive over in neighborhood housing. So we just had an incident this week where someone accidentally picked it up and moved it to a subfolder and we lost it for a little bit. We found it, it's okay, but that shows us the vulnerability of the system. And it's one that is critically important to us at housing. So we're working with communications and technology management to transition the current functionality of the affordable housing inventory into Amanda. Amanda is the system that development services uses for permitting. It's a solution that would be effective for us. The price tag that we've been told to recreate just what we have existing in the affordable housing inventory into Amanda, which is a more sophisticated system backed up, maintained by our technology department, comes with a price of \$150,000 of estimated cost. So that would be potentially our second step in our staircase to get us to where we might want to eventually go. Additionally we have been coordinating with development services to modify some current business processes that they have and to leverage some of the recently implemented modifications for affordability restrictions. And those are about \$24,000 of estimated cost. So again kind of our third step. What's not on here would be our fourth step, which is transitioning us to something that would be probably more user friendly for the public, for the folks that are wanting to find the units. Currently our affordable housing inventory data is put up on the open data portal, but it's not -- you know, there is a need to be able to help the folks that

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want to get into our affordable units find where there are vacancies and kind of bridge that gap. And there are better systems that are out there, but those would be a much more substantial investment. And until we get the affordable housing inventory in Amanda and into a more stable environment, it would be hard to make a transition to even a system like that. So these are the -- this is the cost that we have here for the Amanda improvements. I think when the Austin city up folks come to speak they'll talk about -- there's there was an item on the August third council agenda that spoke about working to develop a realtime database to help get the unit information out there. And they'll speak a little bit

more about that and the cost estimation of that is about 120,000. >> Casar: Okay, thanks. Ms. Truelove is this a good breaking point for folks to ask questions because I see there's another half of this from Austin city a up. So if there are questions that you think can be answered in the second half just let us know. >> Happy to do that. >> Casar: Vice-chair? >> Alter: I just have a quick question I want to clarify. On slide four, it has contract task one and contract task two, those are already in the proposed budget? >> In the contracts that we have. >> Alter: And in the budget for fiscal year '18. But then the items to five would be additional purchases? >> Yes. >> Alter: Thank you. >> Casar: Any other questions? Councilmember kitchen? >> Kitchen: Just quickly so I've got it clear and maybe for the public, remind us what you use this data for? >> Which data? The affordable housing inventory? >> Kitchen: Yes. What's the function that you're doing with this data? I'm understanding it to be

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inspections and income eligibility and rental rate verification? >> That's part of what we do through our efforts. The affordable housing inventory is our effort that captures all of the items we have in our portfolio. It captures the affordability period, their location. So that's there for our city subsidized income restricted units and then those that come about through our programs like density bonus. >> Kitchen: So we use it for inspections and monitoring, right? And we use it also to make sure we build what we said we were going to build, is that right? >> Yes. That would be part of what we want to do with the integration. That's what we're hoping to help facility with the integration into Amanda, which is one of the items, specifically the third bullet that we have on that slide. There are projects that start and work through the system and the more integrated neighborhood housing can get into that process then we can start tracking things sooner and make sure that we're staying on top of things and they go through the development cycle and the building process. >> Kitchen: Okay, thank you. >> Casar: Are there other questions before we see the rest of the presentation? Councilmember Renteria. >> Renteria: Where are you getting the funds to do this? To do the report? Do they come in through the fees that are being charged? Where do you actually get your funding for the reports for the -- >> So the funding for the improvements to Amanda right now, there is not identified funds for that. We would have to find funds internally to accomplish that. So we would be looking either for additional funding, we would be looking at the viability of funding, something like that through current funds. It's not a federally funded - it's not a possibility to cover it with federal funding so we'd be

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looking at all of our funding sources to try to accomplish something like that. But right now we don't charge fees for monitoring of our incentive program. I think that's something that we're looking into. It

was something that we looked at a number of years ago, but it didn't hold water, so we're going to be reviewing that again to see if that's something that would be potentially feasible. As a way to offset the cost of monitoring these units. >> Renteria: I was wondering if there was a fee associated with that. >> Not currently. >> Casar: Councilmember kitchen. >> Kitchen: You may not know the answer to this and that's okay if you don't. But the Amanda system is -- my understanding is the Amanda system is getting some upgrades generally and that perhaps there's funding for those upgrades in our budget. I know that's something that the development department has talked about. Are you familiar with that? I don't know if -- do you know what's in -- >> I'm not familiar with those -- with what they're doing now, but we do know that those upgrades are happening and that's why we think the timing might be right to piggyback on some of the work being done to try to make our changes as well. >> Kitchen: All right. I think it's worth investigating that budget because perhaps that budget is broad enough to encompass some of this. >> Casar: Councilmember alter? >> Alter: Building off that, would it be possible to use those fees from development services to cover this portion? >> That's a question I would have to talk to Rodney about. I'm not sure is the answer. >> It just seems that it's very much related to what they're doing at development services or planning. So I would encourage you to follow up. >> Casar: Any more questions before we see the second half of the presentation? I just want to flag for our committee and for the public at this point that I have

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continued to hear concerns from folks about how -- about, one, making sure that folks that are under the mfi that we've set are making sure that they're living in those units and making sure that we have the technology to do that. It sounds like we're trying with what we have, but that there might need to be a budget conversation this budget year or other budget years to do that. And I want to have some discussion about that when the presentation is over. And then also concerns that there are folks that might be under an mfi level, but there are people who for the rest of their life, given our current economic system, are likely to be there and then there are people who are much more economically mobile and more economically powerful and might just happen to be at a lower income level for a period of time. And sometimes those people have more social capital and can more easily find these affordable units therefore maybe less vulnerable people aren't always getting to them. So apart from the tracking and making sure they're complying, I think councilmember kitchen's point is really important to figure out how we're actually getting the word out to community members who need this the most and utilizing it to get that to them. So I'd be really interested also in what the cost might be to help engage some community organizations that -- to do that affirmative marketing and really get people connected to the units who need them the most. So that's something I would be really interested in. I don't know if that's part of what you're going to be discussing in the next part or if that's saved for -- or if that's for another day. >> That might be for another day. I will say that -- and it might be possibly covered with some of the work that we're contemplating under the initiative that the Austin city up folks are going to talk about. When you talk about our incentive properties, right, the idea of

working with those property owners and leasing agents and whoever is managing those to make sure that we're being a good partner to help them be in compliance with the

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requirements of the program is very important to us. We've actually started a round of biannual training sessions with them where we're trying to educate them on the process, where we have everything that they might need, and we had our first round of discussions with those folks back in may and so we're looking at for the next one what we can do as part of those conversations to encourage the affirmative marketing concept. It's not something that is currently part of the regulations, but we're looking at what we can do to try to encourage that. And then also how that might come into play as we roll out codenext. >> Casar: I would urge that we keep those things -- it feels really big, but I think they're all connected to make sure people are complying, to make sure that we're able to track what it is that we're doing and finally to make sure we know where the units are that are availability that we're getting them to the people who need them the most as we can. So we could move on to the second part of the presentation. Once that's up I'll call Mr. Rogers up, but I do want to -- before we get entirely off this, I want to have a discussion with budget stuff about the committee to see what they think. >> Okay. I think we have Ron baker and Katherine grego to provide the next portion of the presentation. >> Casar: Welcome and thank y'all for being here. >> Hi. Thank you very much. I'm Ron baker. I'm an IBM distinguished engineer. I work in our -- the director of our geo spatial analysis organization. For about eight years I have also done strategy for our smarter cities initiative so I've gone to quite a number of cities globally and worked on these kinds of technology applications. And learned quite a bit in

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the process between Minneapolis, fort Lauderdale, Miami, a lot of other U.S. Cities and other cities globally. So I'm trying to bring that experience to this organization and I'm one of the founding board members of Austin city up as well. >> I'm Katherine grego and I lead strategic initiatives for the housing authority at the city of Austin. I spent about 20 years in semiconductor rmd technology public-private partnerships and consulting, and in the last few years I've led the unlocking the connection program at the housing authority, which is the effort to connect housing authority residents with you internet, digital skills and digital literacy. And then together we co-chair the housing committee of Austin city up. So we're here today to just share with you a little bit about Austin city up and the housing committee's work. Austin city up is a consortium of about 70 companies. In October last year we voted on which projects -- which smart city projects were most important for the city, and affordable housing solutions app was ranked number one by that group of companies. So since then, you know, we started with this

vision of a single mom who has a new voucher and is now trying to find affordable housing, how does that person do that quickly? There's a lot of time elements involved. How do they do this? And we looked at the housing ecosystem, we pieced and parted it. We looked at various aspects which we're going to share with you today, all with that person in mind. This is the time now we think as an objective party that the city has an ability to more timely and more cost effectively develop standards and tools, search tools that can be used to help as a whole. If this is done correctly we hope to achieve all the dreams that were outlined in the resolution. >> A little bit about the city up. As she mentioned, it's about 70 organizations, I'll say. We've been very pleased that

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we've been able to grow that quickly. We were founded back mid last year. What we do like about the organization is there's not just a lot of big companies that have local presence, there's also a lot of start-ups, volunteer organizations. There's university presence and then there's also several agencies in the cities that actually joined as representatives as well. So it's made a great forum for to us do a lot of workshops, talk about priorities, really think about technologies, and in getting to revenue models and not just funding or grants, we've helped with nsf grants and some of the global cities challenges. But also to think about how could we build more sustainable offerings that help where the city doesn't have to fund everything in the process. >> So together our Austin city up housing committee members have looked at stakeholders so we have met with scores of stakeholders and we've learned that while they share many of the same needs, they have special needs. A renter may have a different need from a housing counselor, and that housing counselor in the school system versus at caritas or social services organization versus at the housing authority they may also have other needs. We've learned also that in evaluating companies that provide data and companies that provide solutions that are similar to what we're looking for, but not quite there, that many of the assets that we need to go forward with an affordable housing solutions app exist, what we need now is the catalyst of providing that shared set of requirements and data standards. >> We also looked at a lot of the data that's available out there. The good news is there's quite a bit in terms of context. There's lots of information that is either free or you can buy around business locations, health service locations, transportation, demographics. And that's all readily

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available. There's even a fair amount of information around housing stock and what's for sale between mls listings and others. The difficult part is actually getting the active list and also associated with affordability and section eight acceptance, things like that. So we're close, but we need some of those

extensions and one thing we've certainly learned is the difficult parts are upfront. A lot of our projects is 60 to 80 percent of the cost is getting the data cleansed. Don't underestimate that. She mentioned for example, co-star is one of several techniques to get this active data. That's one thing that's important, timeliness. Is this house reliable right now? May be generally affordable, but someone is already in it. So they use a combination of technologies actually up to just cold calling apartment complexes to find out what's available. So some technology, some manual processes. So we just need to coordinate this together. >> So one of the big takeaways as Ron said, folks are cold calling. We learned from our initial data workshops that there's two ftes just from the three companies that were there that are duplicated effort trying to figure out where is the affordable housing and is it available. We suspect that there's much more duplication of effort in the community so what we need now is to pull together folks into some sort of initial design process where we identify the parts of the ecosystem, identify the existing approaches that non-profits and companies have. Our shared data sources and what are the search tool features that we actually need. We still need to figure out what are the minimum requirements for a search tool and how can we make this as easy as possible for everyone to use. And finally, sustainability is always on our minds. Folks do move? They do change affordable housing. Some folks are in organic housing as you heard earlier

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affordable housing. So how can we make this as sustainable as possible? Is there a way to incent commercial players to get involved in helping to solve this problem. >> And by sustainable, we specifically mean there is an offering that has to continue month to month. When you go out to something like realtor.com mobile app you're not seeing houses that were available last year, you're seeing houses that are available for rent today. So that activity has got to be maintained so that we have the most current information. So whether we are -- the ultimate goal we would like to see is something like that, whether it's an extension of something like a realtor.com or apartments.com that now has more affordability information in it along with some preferences like what elementary school are you in, would you like to stay in to avoid that move, there are those kinds of enhancements. It could be a completely new application that leverages data from some of those, but ultimately in our recommendations we look around the modern technology that we're used to. We want something that's a little more akin to the Austin 311 application, cloud hosted where the city doesn't have to bear the cost of the infrastructure, the operations, the upgrades and things like that. Whoever is providing that should handle that and then provide the city with just a monthly operational cost. Now, if it's a custom solution and this is the -- we don't want just a custom solution, we want something that's repeatable, because if you can now share that cost over multiple cities, I'll give you an indication, typically infrastructure costs like this are between five and \$10,000 a month just to post. If you're only the city you are bearing that cost plus whatever the profit is. If there's ten cities it's now five dollars a city for the cost. So the more you can share and get repeatability, the better, which is why we

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would like to help with shared requirements and some analysis of whether or not this could be used more broadly to bring that cost down. The second part, and we looked at different revenue models, is can you share multiple applications or even customer segments. A quick example I've got, we actually sell an analytic that helps insurance companies with their customers in up and coming areas. We do an analysis to determine what those areas are. Well, those areas happen to be typically the areas that are gentrifying. So the same analysis we could turn around and sell to the city so you could see when those trends are happening, what can be done to affect policy. So here's an example of commercial and public sector sales that might help subsidize and bring the costs down again. These are just techniques for the vendors. We're trying to look at how can we reduce the cost to the city. The other part that -- in addition to sustainable offerings. We really think you need a lot of actionable insights coming back. So the data that's being gathered starts to form a lot more of the information that you're asking for in this data hub. You should also expect to get back analysis of those, of that data that you could use for policy decisions and things like that? So there should be a complete feedback loop within that process. The same thing with the school district. They should get policy information back from those results as well. We did a couple of revenue models around transaction fees and advertising. This kind of comes with a set of issues related to those. We're trying to be complete into what areas might be funded. The last thing we talk about is how do we incent some business? Why is there not something like this already out there? It is true cities in the U.S. Have the same problem. Maybe not to the level of

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severity, but when we talk about things we can do to start this process, can we facilitate this by hold be some design workshops, getting the requirement laid out that we think are important and then expanding that to see what other cities have that same kind of requirement. There are tons of design studios here in town. There's one that's on our committee. And they would be willing to help with either free or reduced kind of information. In doing that. Once we get a sense of what this app should look like, who should be doing it, requirements in the data, then I think you -- you're armed with a better set of information to look at different rfp processes or investments or different models like that that we're not as familiar with as you are. So I think you should look at it as an organization that can help with whether it's prototyping or research into certain areas in this space. That's what we're trying to do with the agencies right now. >> So our focus today is to share with you that we were elated to see the resolution that resources for renters passed unanimously. We know that there is an urgent need in the community and we think that this immediate need can be solved fairly quickly while developing some sort of sustainable long-term solution. >> Great. Thank y'all. Ms. Truelove, if you could come up because maybe



the questions might need you or we might ask questions. Are there questions here for Mr. Breaker and Ms. Grego? I have a couple. The first, thank y'all for the work that you've already done on this. I think it's really important. I guess what I first want to understand is how -- I know that y'all are meeting in your housing committee with our city staff. From what you saw -- maybe Ms. Truelove you can help us with this too.

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What you described in Amanda and what we need to do on city systems, they can't get accidentally moved around on a desktop, compared to this app concept that might be shared by multiple cities, how do those overlap or duplicate? I want to understand better what the city is doing versus what y'all are working on? >> I will quickly say that this affordable housing solutions app that we've been working on ant a compliance focused appear. It's about helping that consumer, that single mom who just got that voucher to help suitable affordable housing. So that we don't currently envision this being used in a compliance capacity. >> So essentially they would not overlap. The city is the primary source from that set of data. So protecting it more appropriately than access makes perfect sense and then that data would feed into whether it's one or more vendors that would use that as part of the analysis. Similar to the way realtor.com would gather data about listings and things like that. So it's one of many sources. >> So Ms. Truelove does it make sense to state it as we have to make sure that our shop is in order so that if it gets uploaded into the cloud for an app to be used that people are -- when people are checking on the app that this is a 60% or less than [indiscernible] Unit that is indeed up to property code and is indeed only taking folks at that income restricted rate? >> Yes. >> Casar: In some ways it is important moving forward in what you're working on. We also have to make it is as up to snuff and built out as possible so the public facing perk can work? >> They absolutely could hand in hand without having our systems in order and reliable and complete and fully integrated into Amanda and really capturing all the information and what we capture will make it very hard to have this data be

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available in a reliable format for them to -- for whoever to build this app and be successful. >> Because if the app is wrong it would be frustrating. >> It would be frustrating. >> Casar: Are there other questions before I ask one or two more? Councilmember? >> Kitchen: I'll wait until you finish. >> Casar: Sure. And so I what are you're talking about other cities that on would potentially use this. I tried to flip around a little bit through other city's websites. I still can't quite find the best model. Have you seen other cities that are doing this as well? >> Not directly. We've seen examples in Portland where they address application fees and trying to assist in that. We've seen others where there's property management that

helps from the property side and then makes it easy for people to find, but the list is not complete. So there's pockets we found, but nobody has sort of put it altogether. >> Casar: Even the big housing authorities in other cities? No sister housing authority? >> No. We've are just seeing the dawn of affordable housing incubators. I think this is part of the problem. Looking at Portland, San Francisco, Boston, we've seen these as well as app providers that serve probably over a dozen cities. There are a couple of themes that are in common and, for example, do we incentivize property managers to keep their data accurate? How do we do that? Whose responsibility is it to pay for a listing on the site? Is it the applicant's responsibility or the landlord's? And these solutions tend to vary based on the market. We have up turned markets, flat turned and downturn markets. We're in an up turn market so we're at capacity. We are focusing on what people do at capacity, but we realize too that we're also in a cyclical environment. So we think there are opportunities to bring some things together to solve some of these problems. >> Wield like to find out

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more from New York because they typically have a larger budget than anybody else and this is obviously a problem for them as well. But we haven't been able to connect in a lot of detail there. >> Casar: I think that would be really helpful. So my understanding is we have to get some of the sort of baseline tracking and compliance stuff in our own house in order to be able to build out a public facing application and hopefully also maybe bundle in not just our incentivized projects and funded projects, but private restricts and things with the housing authority, all the affordable housing units there are so that what could be layered on top of that is us actually going out and marketing those units to people who are most in need. It seems like there's all three of the steps and they all go in that order. >> That's right. >> Casar: Councilmember kitchen. >> Kitchen: Okay. So the thinking is the data would come from the city. >> Part of it. >> Kitchen: Part of it. What's not coming from the city is the updated data, right, on a monthly basis? >> For example, whether it's the mls board of realtors, people like that, or a company like co-star or others that they gather these with different techniques, generally you will need more than one source. >> Kitchen: And that's because as a city our role is to update our data maybe on a yearly basis or some basis that's not monthly. And I suppose that our data from a city's perfect is not to include whether -- it's just number of units, not who is in a unit or whether a unit is open? So that's not the kind of data that we would have? >> I wanted to add something to your previous question about especially what data would be included in the overall hub that is being discussed as part of Austin city up. So it would be not only units that are funded or

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incentivized by the city of Austin, it would also be market rate units that are affordable and compel those that accept housing choice vouchers because that's an incredible need. So the data obviously can't just come from the city. It will need to come from private property managers which really is the challenge trying to figure out how do we in some way incentivize, encourage them to provide information about their market rate affordable units. >> Kitchen: I won't ask a whole -- we can dig into the detail later, but just so I can understand the basics. So our data is, this place has X number of units that are affordable. Our data is not unit a is available for rent. >> Correct. >> Kitchen: So we don't get data on how many are filled at any point in time and what the openings are? >> Not in any type after realtime -- >> That is the hard a part. >> Kitchen: That is the hard part. That is the challenge. And I think you spoke to this a minute ago, but I'm not sure if I heard the answer. In terms of the business model, for an app like that, I can see the use case for an app like that -- I can speak see it from the public, but also see it from the social service agencies, but in terms of who will pay for it, how far did you guys get in that analysis? >> Yeah. I can tell you the reason I'm on this committee is because my experience with our software was exactly that. Who's going to pay for it? >> Kitchen: That's always the question. >> So that's why we tried to look at can we split the cost between so many cities because then you lower the cost per city and then the agencies have a better chance of affording it. The same thing is if I can get insurance companies to

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pay the bulk of my cost and I can subsidize it to cities as a vendor. And then we want to describe the transaction and the -- >> We looked at a variety of models. We looked at, for example, one model folks in Portland pay \$35 once to apply and then they're matched with a variety of housing. So they do one-time application fee. And if they don't qualify for certain housing they'll actually get coaching on, hey, your credit score was just a little bit too low. Here is some credit counseling for you. Or if you didn't have that misdemeanor you would have qualified for these ten properties. One thing that we've looked at is that person pays, but we've looked at advertising models. There are folks who advertise, federal agencies that have apps that are funded by advertising. Of course, within ethical and, you know, certain -- >> I'm not excited in particular to a low income demographic. You have to consider those kind of issues and privacy issues as well. >> Kitchen: One last question and then we can talk offline. That's an app used in the health care field that is used for income eligibility, for eligibility application for medicaid and chip and all that stuff. That's paid for by the social service agencies that use it. So I'm just curious about -- it's not a huge cost because once you build it, you have to update it, but anyway, I just didn't know if anyone had looked at that model for payment. >> Is the equivalent here that nhcd would pay for that? >> Kitchen: You don't have one entity paying for it. That's how it works. Because the data sources - - any of the social workers in these different agencies that connect people are our governmental entities do that, our non-profits are not going to have a lot of

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money to pay for that. I'm thinking more governmental entities. >> The more you can share the cost of that. We've not -- I can tell you we've struggled with that because we do -- for example, code compliance would have related information to this as well. Vacant property analysis. There are different agencies that can share some of the costs, but that's the challenge. >> Kitchen: Okay. My very last question. Have you got to point of having a business model in terms of what the cost are or things like that or -- >> Only at high level. >> Kitchen: Okay, thanks. >> Casar: So I want to wrap this up so we can hear from Mr. Rogers and Ms. Lash. But before we do it sounds like our role on the council level is one from a policy perspective there may be ways that we can structure monitoring fees or affordable housing programs or other ways that get people to participate in whatever it is that we come up with and works. But then from budget, and I do want to understand just because we are working on the city manager's proposed budget, if there is-- what the first steps would be if the city were to being one of the primary proceed priorter, kickoff folks, from the housing perfect or both, what is the first -- what is the first chunk of money that needs to be put in to get this really moving? Is it on the baseline level of getting our own house in order? Is there some mix between the public facing portal and the compliance part? Where do we go first? >> I'd suggest like you said, on the one slide looking at something like design workshops. You could probably host those relatively with less money upfront and try and correct what those business models use, whether those organizations or city up as a -- if you have certain

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questions you want answered, use us to either build prototypes or those kind of things and get feedback from people that actually would use the application. It would be wonderful if the woman who was here earlier could actually look and see if she can find affordable housing or different things that are available. The same thing with the city staff or the school district. So we could do that in a relatively short period of time, sort of build the requirements for what those things are and maybe do a little more depth in than what the funding options or the business models might be. And then proceed with then proceed with more of a formal rfp or additional funds for what that would be. >> That provides an ideal scope. I'm sure nhcd or y'all would look at what is the immediate need? What is going to serve the most people most easily maybe meeting the spirit of the resolution providing a search tool? Today there is no single comprehensive list of affordable housing in Austin. There is none. So the data standards that are required for that, understanding where that data is and how it gets in, that's an expensive thing to do and that's why sometimes companies delay getting involved in the market until that objective party pulled that together. >> So do y'all or nhcd have some sense of what the figure is on what a first step would be to get this -- >> I think what we're looking at for that first initial concept would be around \$20,000 to be able to conduct the design workshops to be able to, you know, scope out what the

solution might look like. And then I think approximately \$100,000 has been identified that would be perhaps sufficient to incentivize or put in some initial capital if we were moving beyond phase one into

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phase two and actually developing the system, then a hundred thousand would be a figure to look at as what the city could invest that would be sufficient to get enough partners on board to get the project accomplished. >> Casar: For the public-facing portion. And even if for our inward portion -- >> For our inward portion I'd go back to -- I'm going to flip through back to my slides. We would be looking at approximately 150,000 for the re-creation of the affordable housing and then Tory and Amanda and approximately 24,000 for the dsd, development services process changes that would allow us to get fully integrated into that and maximize the benefit of being in Amanda. >> Casar: And that was -- and councilmember alter I think had a good question around funding for that one, whether or not since it's a development services thing it would be a general fund thing or a development services fee thing or -- >> Yeah. For that \$24,000 piece I could see there might be synergy there. For the re-creation of the affordable housing inventory that might be more of a stretch to get funded through dsd's -- their abilities. >> Casar: Sure. Before we move on from this item I wanted to raise that I think just for our committee members at this point that I -- my experience has been if we don't bring this conversation up in this budget obviously it can't be in this budget and if we don't bring it up in this budget it makes it more difficult if it doesn't go in this one for it to be in the next. Whether or not we fund some of these things in this budget or not, if we want it funded in the next couple of years it makes sense to start talking about it sooner than later. I would like to go with step one and step two for the development services portal and -- and the inward facing work, would like to have those up for our group discussion. I mean, I'd be happy to put them up personally but I think since we've had two

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meetings about this now, if -- I don't know if there's a process for us to put it up on the concept menu as a committee because it's not really just my thing or if y'all would feel comfortable for me and the vice chair to both do it. I just think that getting this conversation in front of the full council is really important because we workweek after week and council meeting after council meeting trying to get affordable units on the ground but tracking them and being able to send people to them and get the right people to them seems really important. And so I just want to make sure that it's not lost in the budget conversation. Any thoughts? >> Alter: I just had one question, but it's important for understanding where I want to go. Help me understand, to the extent that you've done discussions with the landlords, we are in this market where they don't have to do very much advertising. What is your sense of how it

would be received by the land. Obviously if it's a lose market and you have to struggle to fund people you would be valuing that. Ultimately for the solution to work, you have to have the help of the property owners and their participation and as much as we want them all to want to do that I'm wondering what you've encountered and what you've learned. >> Want to have heard from different folks a variety of things. Some are interested in participating in this because it's goodwill, feeling of goodwill or, you know, belief in what the city is doing or the mayor is doing. Other folks have said I would be willing to participate if there was some kind of small incentive for me, we've talked about going to Home Depot or Wal-Mart, if you would provide a 10% discount on this type of material for this landlord in exchange for them participating in this platform. Other folks are looking for uniformity, basically want

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to participate once. Now they have to go to platform a, B, C, D, E? >>> It's time intensive. Some don't want to answer the phone as much as they do now. Now they have to pick up the phone from all these different people with directories and they may not have the right information. Could those reduce their operational costs? You know, it's not -- you're right, it's not so much time to money in this market or time to resident, but people still allow -- time to rent, but people allow for we're still in a little bit of a cyclical market and will continue to be. There are a variety of reasons and part of what we would do is engage landlords in this two, what would be helpful for them in the search tool? >> You really have to focus in this market at least in their convenience, how do you simplify their life? Because they don't have trouble renting the place. They just don't want to receive all the additional work to go with it. So if you makes that as simple as possible, that's going to be important. >> Alter: What about the target audience for search this all is predicated on them having access to an app and a phone and -- >> Either that or -- >> Alter: How much of an obstacle is that. >> We have one case where it's done through the school, they come in, they've got a counselor, if they've got to move they're trying to help them with what other affordable houses are in that same elementary or school district so the school doesn't lose funding and they don't have to move the student. So you could have additional outreach channels for people that don't have access to either mobile or web someplace. >> Alter: And that would all be part of the design? >> It needs to be. >> Alter: Thank you. >> Kitchen: I was going to suggest whatever action is taken in terms of putting this as a budget consideration might also consider a request to -- request to the development, to dsd, about at least the Amanda part, what part fits

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with the funding they already have in terms of redeveloping Amanda. So. . . >> Casar: Councilmember Flannigan. >> Flannigan: I don't think the process of writing the concept menu has a provision for committee and since we restructured our committees I'm not sure it makes sense to have a leg up in the process. I also have a lot more questions I want to talk to staff and other folks in the community about other ways we might approach this project. I'm not prepared to support it on the concept menu but you don't need my support. You can get it on there a couple different ways. >> Casar: So, I mean, I can go ahead and put it up unless there are folks that would like to put it up themselves or put it up with me. I think it will be good for the rest of the council to know we're having the conversation. >> Alter: I would be happy to do it -- join with you on putting it on the concept menu. I think there's some things I would like figured out before I would necessarily support things in the budget but I think it's important that we get the conversation going and as we're going to be trying to figure out what steps we're going to take additionally in the budget to address the housing crisis that we have, I think this is a very important piece of the puzzle and needs to be part of that conversation. But I also would second councilmember kitchen's comment with respect to figuring out if there are ways, since this is linked to development services or planning code, if there are ways to link into some of those fees rather than having neighborhood housing have to fund any of those pieces that they don't have to. >> Casar: Great. Thank you. I think that it's part of our task to make sure the rest of the council is aware of what miss chief we're causing over here. Thank you so much for all of your time. Unless there's any other questions we'll move on. Thank you all so very much.

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>> Thank you it's supposed say item 4, presentations by representatives in the affordable housing development community regarding opportunities for below-market rate housing. We've got Mr. Rogers and Ms. Laff here. >> That's a big difference. >> Good afternoon. >> Casar: Good afternoon. >> We'll do it the old-fashioned way. Paper handouts. But my -- mea culpa -- >> Kitchen: That's okay. >> [Off mic] >> Casar: Thank you both for coming. We are -- have been starting a little tradition of setting aside some time in this committee meeting. It was an idea of the vice chairs to have some time where we hear from folks that are building affordable housing in the community because we don't have all of the answers ourselves and would like to know how things are working and what ways we can better support the work that you're doing. So take it away. >> All right. Thanks for having me. Thanks for having me. First I want to say -- I want to say hi to Mandy as being in the public sector now. She's -- she and I used to make the rounds to you folks, and as mark and Mandy sort of Mork and Mindy kind of a show. [ Laughter ] Now I guess I'll be going to her asking for money or something. >> Casar: That's right. She's abandoned you and is part of the machine. >> Amazing resource. Austin housing coalition, she's been an amazing help to us there. Now with the city she can be of amazing help to all of us, which is great. Little bit about -- I gave you a little background.

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I was going to use this myself and I said, hey, why not give it to you guys so you can see it. It's a small nonprofit organization, neighborhood-based, around for 36 years. Working predominantly in central east Austin, work in Montopolis as well. Started out between the state cemetery, I-35, several blocks east of downtown, and sort of a mid, late '80s moved south to the recovery into councilmember Renteria's area and Pleasant Valley Road and eventually out to 183 and so on so our empire keeps expanding as the need becomes every greater. Neighborhood-based, by that I mean -- we have a nine member board. Eight of those -- most of them live in the service area where we work. Secondly, we prioritize those folks in the service area who have generational address, so 20 years, 25 years or more of the family living in that area gives them the highest priority and we work our way down to 15 years, ten years, so on we're small, staff of four. We have pro bono attorneys that help out and outside financial management. So it's not just the four of us but still that's relatively small. Lots of partners, UT Center for Sustainable Development and the UT community law clinic helps us out. We do things together all the time. Austin Community Design and Development Center helps with design work and sometimes charrettes community input meetings and so on. Austin Energy has been a main partner on our net zero subdivision, providing solar panels it looks like we may be getting one of the first batteries through the Shine program. City of Austin got a \$4.2 million grant from the Department of Energy and our project we just completed, the engineer Jeremiah program, looks like a good candidate to get an

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18-kilowatt battery, which actually helps the city out as far as storing that energy when we have a solar eclipse they can draw from the battery until the -- or when the sun goes down they can use that battery more typically. Foundation Communities, we partnered up with them first in the Plaza Saltillo RFP process and more recently at Allen Elementary trying to get a project going there. A lot of times we look good because of the people that we partner with. We've got 115 rental units, which is relatively small when you look at the big producers, the tax-credit guys. But for our organization in central east Austin that's a big thing, especially now as we watch single family rental housing become kind of an endangered species, almost extinct in terms of affordable housing. We have a lot of single family duplex housing scattered throughout east Austin. We've made homeowners of about 50 families, 14 of those are in our community land trust that we started. We were the first in Texas to do a community land trust. That was in 2012. We do homeownership and rental. We've done tax credit projects. As I mentioned we just completed in April the Jeremiah program Moody Campus, 35 units for single parents, mostly single moms with preschool age kids and a five classroom CDC development center, two playgrounds. That's our first supportive housing project with a partner there. Let's see. So I'm going to focus on three of the projects that we've got sort of in the works, the three main ones. The Guadalupe net zero subdivision I'd say is the most challenging but it's got the most opportunity and it's the most ready to go. So if you look



at hopefully that first little packet talks about the status of that. We completed design work back in 2009, and in 2011 got our site development permit for it and finished

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the first phase in 2013. It was just eight units, four duplexes, net zero duplexes. Phase three, so we sort of skipped to phase three, was that Jeremiah program moody campus, 35 units. In between that we moved four houses out of the Rainey street district and made homeowners of those homes or with those homes. Beautiful turn of the century homes that now are occupied by families from the neighborhood. Which is pretty neat. We've got eight homes under construction right now in the community land trust at that subdivision through the help of the Austin housing finance corporation and y'all. Other things we're doing right now that's not listed here, not mentioned, we've got seven homes going up for rental projects scattered throughout the neighborhood so on willow street, Gonzalez street, [indiscernible] Street, Lydia street and so on. Those are single family -- often single family with an Adu behind it. In one case it's sort of like a duplex, single-family home with an accessory apartment attached for a senior, someone over 60, which I have trouble thinking of as a senior now but, you know, we are, they are. [ Laughter ] Or a person with disabilities. So that's a new part of the land development code we're reusing to get that second unit on a small lot. Of this -- on the subdivision, you've got a nice rendering. If you look to the left side of that, of the creek that runs through it, that is all basically an overgrown former dump site. To the right of that we see the biofiltration pond. The community center is actually the Jeremiah program building we slipped in there. And then if you go to the right off the page we've got a 4-acre single family subdivision and that's where the community land trust homes are going. But to the left, where you see webberville over to one side and good win avenue to

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the top there's 51 units of housing that have been on hold. We applied for money but -- we've applied for money several times but we -- as I say we've got the site development permit ready, we've got all of the housing designed, it's basically permit ready, but asking for two -- over \$2 million to do site work and streets isn't a very sexy thing. It doesn't get you units of housing right away. Also difficult to borrow money, for example, to go out and borrow even half of that with an there rate while you're just moving dirt around and putting in streets and so on to be accruing interest on that. Especially when you're serving folks very low, extremely low income. I will point out there's not a 1-room unit anywhere in here in efficiency or studio. There's one five bedroom house, five four bedroom homes, three bedroom homes and two bedroom homes throughout this. If this were a project by a market rate developer, I can guarantee you'd see almost all one bedroom, maybe a smattering of two bedrooms. It wouldn't be

geared to families. This whole department is geared -- development is geared toward families. I've contacted aid and let them know if we can get this going the 125 units, almost all with kids and families, oak springs elementary and govalle won't be at 30 and 40% enrollment. They'll have more kids living there. It makes me proud to see the school bus coming through my neighborhood where we have projects and nine out of ten of the kids getting on that bus are living in our homes. So that's I would say the most ready project, but it's also, again, one of the most difficult to fund when you're -- when the city looks at things like leveraging and so on. Little background on the subdivision and you can see sort of an outline there. The entire -- the entire 11-acre subdivision with the single family on one side.

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The homeownership now that -- again, we were fortunate to find a mortgage lender back in 2014 who was providing the mortgages for community land trust buyers. And that really has, I think, en-- neighborhood housing could testify that, really opened the door to community land trust. We've got now a lender, which means that a good hundred thousand to 150 even to \$180,000 of that construction cost, the development costs, can be paid back. So we can borrow that money and pay it back and put less of a burden on the public dollars through y'all to build homeownership units through the land trust so that's a good thing. Rental housing, single family, is a very expensive process. So. . . Another project I - I don't want to take too much time but another project in the works, we did the feasibility phase but we have about \$240,000 that's needed to complete the design and architectural engineering work is the Lopez senior tower, we don't have a good name yet but 24 units of senior housing right adjacent to the central business district. Surrounded by luxury condos and apartments. And you can see a rendering of what that would look like. We used \$50,000 of city funds and completed the renovation of the historic home, the little house you see down at the front there. Completed renovations back in December, and we have a tenant below 50% mfi living with that beautiful view across the street from 14, 1500s one bathroom apartments and we're getting 500 something for that. The ideal best use of that property then is to build something similar to what's around it and go up 70 feet and put in 24 units, in this case for seniors, and the house could become a community gathering place, a place for students at the UT medical clinic, school, to come by and practice, so to speak and coordinate with that. So that's a project that really I think I mentioned this the last time I came to

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this committee. The hardest thing for us to get or do is to spend a quarter of a million dollars on predevelopment costs when we may have a net revenue each year of about \$40,000. We're not -- when we do a tax credit project, larger scale project, we can get a developer fee and that's why we can use the

developer fee to do these types of things but we don't operate on a scale that a lot of the tax credit -- we don't normally operate on the scale of a lot of tax credit projects. So predevelopment costs, again, would be really, really helpful in that case. Another thing with that project, included -- this would be something that doesn't cost anybody much of anything, but it's just one of those arduous processes where we can use some help. That last page shows a little 10-foot strip outlined in red that is the remnants of a vacated alley. The city vacated it back I think in 1990 in order to expedite or help a shopping mall get developed. The Lopez family in the adjacent house didn't have the money or interest in buying that 10-foot strip, so it's still there until recently it was a homeless hangout and a mess and so on. If we can get your help in directing city staff, real estate and so on, to at least give us the opportunity to acquire that or to get it transferred to us, we can add that into the tract, Lopez tract, and sort of complete that -- take that piece of the puzzle and plug it into actual usefulness and use it for construction of that Lopez senior tower. So that's a function. And sort of finally, finally, in terms of the projects that we have underway that have been on hold for whatever reason, on seventh street we have two lots we developed with two single-family homes back in 1983, '84, at a time when nobody was building anything on that hill other than us.

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It has since become a lot, part of the plaza saltillo lot. We can relatively easily and relatively less expensively put in seven or nine units of housing there. There's just two now. A block from downtown, central business district. Again, we would probably build something family oriented so you see three and two bedroom townhouses along seventh street and there's actually three one bedroom alley flats or apartments in the back of the property. That's about a 70,000 just for the aural and engineering, 70 to 80,000 aural/engineering costs that, again, could get that project then shovel ready. So those are the types of things we've been working on. There's lots of little stuff that comes on my phone every day or across my desk or whatever where people say they'd like to -- is there something we can do to help them keep their property, if we can buy their land, for example, fix up their home, keep them in their home and build two houses on another part of the land, happens all the time. That's a program that needs to be developed. What I put in as the last one is a dream project, so to speak. It's the people in the -- as the people in neighborhood housing can tell you I've been bugging them for years, those that have been there, about my can grove on Tillery street, the 5 acres sitting there and why don't they give it to us because we were already developing across the street. We worked on a concept. I asked my architect friend, Tom and his group, to come up with a concept, how many houses could we get there that would be neighborhood scale, something that could work. We met with councilmember Renteria, we showed him 64 units. He says we need more housing than that there. So we -- then I ran into Debbie Kaiser with imagine art. She's trying to figure out a way to get housing coupled with her program that has people with developmental disabilities producing artwork by working with artists who often have a hard time with housing and making a living and so on.

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And what she's found is that these folks a lot of times, the toughest thing for them is to get good, decent, safe housing. There's 180 plus people with disabilities out at these state center for supportive services off mopac near camp may berry that are -- every legislative session they talk about shutting that down. She's got people that grew up in their -- and their parents get to the period they can't take care of them anymore and they get put into group homes where they basically end up isolated. If we could work out something like this project where we have facilities for them to produce art that's open to the community as well, artists to come in and make some money while helping out these folks at the same time we could have some homeownership through the land trust here. So we've worked on the intercept now it's really a matter of getting it to an rfp which word out there on the street is that, yes, maybe sometime in early 2018 we'll see an rfp out to the public in general and nonprofits like ours to see what kind of proposal we can come up with. So that would be wonderful to see that valuable piece of 5 acres that the city owns and has owned for 20 plus years turn into something beautiful in the way of affordable housing for the community. So that's what we've been up to. >> Casar: All right. Thank you for your presentation. I want to get a sense from the two of you what your time line is like so I know whether we should ask Mr. Rogers questions now or if it's better to have Ms. Laff do the representation. >> I do have an appointment I have to be at at 4:00. >> It might be good to have you speak now as well. >> No worries. >> Mark, are you able to stick around with us? >> Sure. >> So I received -- can you hear me now? I received a call yesterday and I believe the focus that John mentioned over the phone is you want to hear what I'm experiencing as a developer in the field as I'm providing affordable housing. That's what I'm prepared to

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speak on it we are -- I'm with sage brook developer, affordable housing developer. We primarily utilize 9% housing tax credits. That program is a program started in the '80s by the Reagan administration and has been one of the most successful programs to create a large amount of affordable housing at one time in one project and allows us to provide units at the lower area -- serving residents at the lower area median income. It includes units that serve 30% Ami, 60%, and a few market rate depending on the developer. They put a large amount of affordable units at once and serve lower Ami residents. We are very fortunate in the city of Austin that we have a council that is very concerned about affordable housing and that y'all take action. I develop across the state and there's a lot of cities that it is fighting tooth and nail to show them that there's even a problem. So first want to commend you guys for realizing there's an issue and being proactive in solving it. Second is that your staff understands the 9% housing tax credit industry. It is governed by the state, and it is a very complicated process that's

constantly a moving target. Our rules change year to year. One site that works this year might not work next year. And your staff is very good about understanding the state's regulations and keeping on queue with what the needs are that we have to do in order to win these types afterwards and provide affordable affordable housing in Austin. I'm on my third project here in Austin with sagebrook development. One of the biggest hurls and I'm sure it won't be a surprise to anyone in this

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room but I'm going to say it, the biggest hurdle I see is our time line for permitting to get the affordable housing on the ground. With these 9% housing tax credits, they come with a place in service date which means I can't sit on my head like other marketing efforts rate developers trying to gather the right equity, waiting on the permit. From the date that I get my award, I essentially have two years to have my cos in hand. If my permitting process runs me nine to ten months -- I've even had one that has ran 11 months, it wastes a whole year of construction. And so then you are at risk of getting those units placed in service and losing their affordable on those units. The particular project that I'm working through right now is -- has to be placed in service by the end of the year. We used city gob funds. We are working on it nonstop. It is part of the smart housing program and the easiest way that I see to help this process and help incentive other developers to continue to create affordable housing is to start doing the smart housing expedited process again. I know when the program was originally set up that's what the intent was, and I think somehow we got away from that because that particular project that is smart housing took us 11 months to permit. And I know you guys hear that from every developer that walks in your door. I'm sure you're sick of hearing it, but the risk with affordable housing, if we can't meet those deadlines, is we lose the credits. Then they turn into market rate housing. The next thing that I would like to mention that I see as someone that is constantly looking for new land to develop as part of the tax credit program -- again, I might get something thrown at me by saying this but I'll go there. We all know that we want affordable housing west of 35, west of mopac. You know, somewhere where

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it's -- where there's a need that is not already concentrated with affordable housing. One of the biggest things that I see not necessarily density, which is a -- density bonuses are obviously needed, but the biggest thing I see as I'm looking west is impervious cover limitations, not saying here that I want to -- that I want to pave the whole country or pave the whole city and develop everything. I love my hill country as much as everybody else. A live at 360 and 2222. To give you an example a few years ago I found an 11-acre site close to my house and 11 acres sounds great, right? Totally build a lot of

affordable housing there. By the time we took out all of the impervious cover limitations and the slope limitations, we could only build on .97 acres of that 11 acres. So, you know, my question is, is there something, some metric we can look to evaluate the vacant land in Austin, maybe it's even some of the city's vacant land. Because I've seen in the city's database that there is some good vacant land the city owns in areas that could get funded for affordable housing that could be utilized, that could have a additional entitlement bonus allowed to it. But as I look through Austin and come through every particle parcel of land, which I do on a I believe so, my biggest hamstring is indent in -- density and impervious cover. That is one of the things that I see that creates a barrier. Not something that's gonna be popular with a lot of people to talk about, increasing impervious cover, but that's just the facts of what I see. So those are the big things. You know, aside from the permitting process, one of the things that we see any time there is a service extension request required, meaning we have to extend service to our property, a

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lot of times those are public -- utilities that we're extending that are public utilities that ultimately get deeded over to the city, if the easements aren't in place we're having to go out as an affordable housing developer and secure those easements and negotiate with whatever landowner has those easements. I actually just left a meeting at Austin water utility. We're dealing with the same thing. So we had to go get and pay for an easement that's -- that we're deeding over to the city, and it's just an added delay when you essentially can't control what that other property owner is going to do. To give you an example, other cities that I've done business in, they've just -- they've handled the negotiation. It's different when the city handles -- approaches the private landowner and says, hey, this is land that's reserved as a right-of-way. We're going to extend the sanitary line. When a private developer approaches another private developer, the other guy can somewhat hold our feet to the fire and do whatever he wants. I mean, he -- in this particular case, that landowner said, I can charge you a hundred thousand if I want because you need the service. When the city approaches them to help with this extension, it makes a difference because it's the city. It's a municipality approaching them on land that is already essentially going to be theirs. So, again, that's something small and that's very in the weeds, but that's what I'm seeing. As part of what is keeping us from getting these affordable units on the ground quicker. The project we're finishing now was funded in 2015. It will be 2018 by the time I'm actually moving people in. So. . . >> Casar: Thank you so much for your candor. >> Sorry. >> Casar: Nothing was thrown at you. Thank you all, both, for being here.

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Are there questions for -- yes? >> One more thing I forgot to add. The general obligation bond program is so, so important. And I know that we are, you know, about out of numbers in that account. As a development community, I know especially with the trump administration now being in office, what we're experiencing is the tax credit pricing is going down. So the amount of equity that we're able to get for the tax credits that we receive is less than what it was before. So it makes our deals harder to work. The reason being is because, you know, of course trump is saying the effective tax rate is going to get lower so the market gets scared and they say, well, this tax credit that you have to sell isn't going to be worth as much. What that does is it makes a bigger gap, and as land prices in Austin continue to rise and that gap from -- and the tax credit equity gets lower, it's going to create a bigger need for the gob program. So just I cannot echo enough how important that program is and I'm here ready to support it when we're ready to start working on that campaign again. >> Casar: We're going to have that presentation as soon as you leave. >> Cool. Sorry I'm going to miss it. [ Laughter ] >> Casar: Questions? Yes, councilmember alter. >> Alter: Well, first of all, I want to thank you both for your work in advancing our affordability needs in the city. I thank you for taking the time to speak with us today. I think it is really important that we have these opportunities when you're not trying to do a zoning case in front of us to have some kind of conversation about what the obstacles are so we can think creatively so I appreciate you both coming and sharing your thoughts on that. Ms. Laff, I know that you've worked in other cities and places. Within Texas, since we have

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so many rules at the state level that constrain us, are there things that other cities in Texas are doing that we really ought to be adopting or thinking about adopting that could facilitate the process of constructing affordable housing? >> One of the things that I've seen in other cities -- and they're smaller cities so it's a city like Plano, for example, that's experiencing quite a bit of growth. They are landlocked, but they have a very good process for showing what land is available, a good program and within their department it's just -- it would be much larger scale here to injured take. Other cities I've also seen an expedited program. I know there was discussion last year about expediting the building process, building is really not your problem. It's site plan. I was really discouraged to hear the conversation so heavy incentivized on the building process last year when I can typically get a building permit here in about three to six months. It's site plan that is really the hang-up and if we can solve that, I think -- I mean, it will help across the board. It will help with some of the single-family housing that he's doing. It's -- it creates -- as a developer, it creates a bigger cost barrier, which ultimately, I mean, it just drives all of the costs up. I mean, whether I'm utilizing tax credits or not, if I'm a market rate developer doing 80% units, by the time I deliver those 80% units they're going to be at a higher rate because it took so much longer to get them on the ground. So but the person occupying or needing to occupy those 80% units isn't necessarily making more money. So to be able to afford the higher rent. So that's what I've seen in

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Dallas and Fort Worth and San Antonio. There's a true expedited site plan process where they get everyone in the room and make sure everyone agrees on the comments. That's been helpful. Then some sort of a property inventory, which I know you guys were discussing the established from the existing properties once they're build but vacant land as well is good to understand. >> Casar: Can you repeat for us which cities you've worked in that have expedited site plan processes and which -- off the top of your head and also the service extension request help from the city on affordable projects as opposed to -- >> Sure. So I know Dallas, fort Worth, and San Antonio have an expedited process that I've worked through. Now, some of that I'm not sure if it was -- I know for a fact Dallas had a specific pilot program. You paid extra for it, similar to what I think you guys were discussing last year, for the building site. The other entities that I've worked through, I believe it was because of the type of project that we were working on. The service extension request, when that comes into play is if, for example, I need to extend an 8-inch line to get service to my property, I make a service extension request, Austin water utility, to extend from wherever that connection is. If the easement to extend that line is not there, I've got to go get it from whoever currently has it. If the easement is not already in place. Aside from that, if the city looks at the system and decides that there is additional improvements that need to be made, say, half a mile from the site and I'm giving you a pure example of something that we just experienced, we also have to improve -- to improve the other line that is half a mile away from the property, which creates a separate site plan development permit because it's off-site,

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separate process, and if that easement is not there, then I've got to go secure -- to correct the line, I've got to go secure that easement as well. I mean, we were very lucky that we pared with another developer that also had that same requirement but there's an existing line, we had to increase from a 12-inch to 18-inch. The existing line did not have the proper easements in place so we had to also get an easement for that. It just adds to the delay versus the city taking the bull by the horns and saying we'll help that negotiation or we'll go get the easement because we're the city and it's our line. >> Casar: And which cities in your view are doing that kind of work? >> Again, smaller scale, but longview. So I need a service extended to my property and I was in a development meeting with them actually a few weeks ago. I said, whoa whoa, I don't want to ask them to extend their line and get an easement. They're going to want me to pay an arm and leg to extend that through their property. They said, oh, no, we'll do it, we'll handle it. They've give us an easement. Again, that's a smaller municipality, but they're able to go and secure the easement for us. That at least helps with additional costs on the project. Because, you know, that's not something you can really budget for. It's something that hits the project, ultimately comes out of your contingency, because you're at their mercy, you're at that property owner's mercy. Approaching them as a developer versus the city approaching them, asking for an easement to extend



the lines, it's a little bit different. >> Casar: Thank you. Thanks, councilmember alter, for letting me jump in and get those examples. >> Alter: No problem. >> We used to have the same thing here. In many ways Austin led the way on expedited services. Part of the original smart housing program. So when we went through our site plan review process for [indiscernible] Net zero subdivision, I think some of

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our first meetings were with 12, 14, 15 people that were all going to be reviewing it rather than them seeing it for the first time two months, three months, four months after submitting. They sat down at the preliminary meeting before we even submitted it and went through the problems then. Of course that was budgeted for. Then somewhere along the way it's not budgeted for and they went away. So we used to be a good example of doing that sort of thing. >> Alter: We're still paying for all those people -- they still have to do the review. They're just not doing it all in the same room at the same time. >> Yeah. But if they're not doing it in the room at the same time you run into the -- >> Alter: I understand. I'm just saying that's some level it's a management choice that's being made because the people still have to review the project. >> Right. >> It's just a matter of how much of a priority smart housing projects serving them at 30, 50, 80 mfi is. Should they get that special treatment? I sure believe they should. >> Alter: My next question was to staff to understand what legally we can do to expedite permitting for affordable housing and not generally have it be part of the general project? And if you could also maybe explain why it stopped within the smart housing program. >> I don't know that I have that answer. That I might need Rebecca or Gina to come up and help me with that. I think what you just said well captures it. It's a decision that's been made on how we're going to structure the process. I don't think there's a legal hindrance to doing the review, you know -- >> Alter: But if we wanted to say, you know, just like we set up an expedited permitting process that allows developers who follow better builder standards and pay for the expedited review that they can do that process, could we -- you know, is there something that allows us not to go back to the smart housing

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that would I'm presuming say that if you did this level of affordability that you'd be able to have an expedited process? >> I don't think there's a legal impediment to doing that. I think it's a policy decision and I think Rebecca came up and she might be able to give perspective on what changed over the years that led us to where we're at now. >> Rebecca giello, assistant director of the housing department. Who am I today? I think it's an evolution of budget constraints, management decisions. I want to do justice to not only the development partners, but also the individuals who have been in exposition with the city working -- in housing with the city working on this for a long time, more so than I. I also don't want to be

subjective and pontificate on something I wasn't necessarily involved in directly, but certainly we have partners who were and what we have been told over time -- and I'm just going to roll it up into it has to do with just a diluted prioritization in that particular area and/or budget decisions, decisions and management over the course of, you know, 10-15 years, where I believe that policy objective was to maintain prioritization but over time did not. And let me give you an example. It was at a time probably at the inception of smart housing that the review team worked together and was funded out of the housing department, if I understand history correctly. Many, many years ago, the decision was to pull those funds out, maintain a specialized team approach. But when the funding was pulled out of one department and the employees actually left the department, as you can imagine, those employees absorbed much of the duties in their new respective

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areas. Thus, without any intent at all, taking on more and not having a critical focus in one particular area, like the smart housing review team specialized approach. So we have an individual in our department who used to be actually on that team, and so it's not just through anecdotal, you know, conversation, but through individuals who actually worked on a very specialized team with a full 100% dedicated approach to smart housing when they began to take on other things, as you can imagine, the prioritization was lost. And that was through many budgetary constraints over time. But I echo what Rosie is saying. That prioritization can certainly be centralized and focused again with resources. >> I think on the other side of it is the demand probably dropped off considerably. When smart housing started around the year 2000, the bulk of the units, in fact, you know, in fact probing no this day the bulk created were in production builder single family subdivision developments where they could go in with -- I forget what percent of their units, I guess it varied, they were going in with whole subdivisions and going through the smart housing process and getting expedited service, as well as fees waived. And that made it enticing. But when the housing market went up to a point where they were no longer willing to do it, that demand dropped off and it was littler guys like ourselves or the occasional tax credit project that could really take advantage and it probably didn't seem like a good use of staff manpower. >> I would concur with that. Just to add that is often a definite layer of decision-making, is the market. The market changes and so prioritizations change. >> Alter: But if we wanted to -- like smart housing doesn't give you very much affordable housing, as I understand the program. And I may not understand it well, but it doesn't give you the kind of affordability that either of you are talking about that's being delivered in your programs. I mean, you might get that as part of smart housing, but the average -- >> So when I apply for

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gobs, I have to comply with smart housing, and I have to also apply with agb if I'm in an agb zone. Honestly, the smart housing helps significantly if my property has been platted after -- is it 1995? >> Mm-hmm. >> With the service connection lines. So I will always participate in smart housing, you know, if I -- given the option. Because of that alone. It does make a difference. I mean, in some cases it's half a million dollars. >> Alter: I guess I'm not saying it doesn't make a difference. I think that we have a lot of projects that, unlike yours, are not actually delivering a lot of affordability and they're taking advantage of smart housing. >> Got it. >> Alter: I'm not sure if smart housing is the best vehicle to be delivering expedited site planning that you're talking about. >> Mm-hmm. >> Alter: For deeply affordable complexes. >> Yeah. >> Alter: That was kind of my question. If we wanted to run with this, there's a question does it happen through smart housing, does it happen in other ways? What would be the next step? >> I don't know how many apply for smart housing outside of our tax credit industry. Plays for gobs, it's kind of an automatic but that's certainly something to look into. >> Gene no is our -- Gina is our real estate manager and she's going to help with that. >> Hello. Almost exclusively, our smart housing projects are, --are mark and our tax credit partners. >> [Indiscernible]. >> The grove. >> The importance is if you can get market rate builders, again, sort of your production subdivisions to participate in it, yes. That's going to get you 30%

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or 60% mfi homeowners of single-family homes but it can get you a good quantity of 70 to 80% mfi so I think it serves an important piece. It doesn't hit the hardest hit, the most in need, but it hits people in need and provides an opportunity that's not going to exist otherwise. Market rate developers could do it if they're getting some kind of incentive through a smart housing-type programming, including the expedited service that we're talking about. >> Casar: And my understanding is that with the expedited building permit process that I think the council has budgeted for, that the smart housing project should be having access to that program. But what I'm hearing from Ms. Laff and what I've heard from others is even if you get your building permit in a month now instead of four or five, that if you're still waiting on-site plan, you still have an issue. >> I can't get my building without without site plan if it's new construction. >> Casar: Again I'm not city attorney Ann Morgan but my understanding is that we could establish that kind of a program but operationally it's -- it is a lift for us to do the site planning in that kind of a speed team environment, but I think it's something for us to explore, especially given how frank you've been about how that would be helpful. Councilmember kitchen? Sorry for neglecting your microphone. >> Kitchen: No, no problem. >> Casar: I think you turned it off on accident. >> Kitchen: I was going to mark another issue that -- besides the development issue. And that is the -- I just noted what -- what you said about parking or actually you were talking about parking with regard to the senior housing. >> Mm-hmm. >> Kitchen: So I'm curious to what extent that's an issue. I mean, it's something that we'll be talking about as part of codenext but I'm particularly interested in the impact with senior housing. Because it seems like at this point I don't think there's any -- any that

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it's senior housing is not taken into account, correct? >> I think you're right. That's one example why where did it should be an automatic no-brainer that you've got seniors and you're gonna have fewer cars. >> Kitchen: Yeah. >> It's an old system usually put in place. If you have a two bedroom unit, you need whatever it is, two parking spots or 1.5 where really at most you'll need .34 or something like that. The same is true of tax credit projects and multi-family projects that are truly family oriented. We even with a 20% urban core reduction we had in our tax credit project we're overparked. We have too many parking spaces because we have a three bedroom units that requiring 2.5 spots or three spots, whatever it is, and of course we've got reduced a little bit. We have one driver in that family and then three kids or two kids. So of course they have to look in the -- in the code perspective they're just looking at it and saying, wow, you could have three students and each one has a car, each of the workers has a car so they park it that way. Yeah there could be parking reductions just based upon practicality and demographic and what people actually use. And reduce even farther, as far as I'm concerned. If you're in an urban core in transportation areas and so on. Codenext is looking at some of that but I'm not sure if senior, for example is considered. >> Kitchen: Right now for senior housing then, is there a waiver opportunity where you can make the case that you don't need that much parking or is that -- >> Board of adjustment variance. If you have -- so a specific type of senior housing where there's 24 hour services available for those folks, then you get a very significant reduction to .251 quarter of a spot per unit. >> Kitchen: Okay. >> And then microunits gets a reduction as well, so if you do senior, it's also micro, you could go that route. >> Kitchen: Okay. All right. Thank you. >> Otherwise it's board of adjustments, which is, you know, hit or miss. >> Kitchen: Yeah.

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>> In fact we're -- we've got a request from haca to put the Chandlers court, part of that is in the tod district so they don't have to -- they can do reduced parking and open it up for parkland, the area where they would have to surface for parking and make it actually -- a pocket park for the clients there. So, you know, I'm really going to look into that and see if we could, you know, maybe pass something that will allow those to happen somewhere else, too, just like we could do the -- that area on the tod district there. Because it's so close to the rail. >> I have something to add to that if I could and I really do have to run. I echo what mark said. We see across our portfolio that we do have -- we are overparked, and so it's not because affordable housing residents don't have cars. That is not true. They do have cars. They just don't have two cars per household. We typically find across our portfolio we're somewhere between 1.2, 1.5 cars per household and that takes into account the three bedroom units. We have all that data. I'm sure a lot of other affordable housing data -- groups do too. We issue parking passes so we're able to

see how many cars our residents have and that's data that we're -- you know, I'd be happy to share with the city to show you what they're actually using, and that's across the board, whether it's a suburban deal or urban deal. So just throw that out there. >> Casar: Thank you so much for coming, and I -- right before you do go, I want to mention that this was actually really helpful for us. I think I speak for multiple of us. I think people in the back behind you are nodding their heads instead of throwing things at you. I saw a lot of us jotting down notes. Please continue to work with

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us because I'm interested in ways, you know -- there's obviously some things that we are working on through the codenext process, but there's some things that are separate and different from that and apart from that and looking at parking especially as it relates to senior housing or affordable housing, you know, unnecessarily subset -- that somebody isn't going to sue probably isn't the best use of our funds or the service extension request issue or expedition of site plans I think is all work that I'm sure members of this committee might be interested in kicking off at the full council level and I'm offering myself up as, you know, cosponsor on any of those issues because I think that's important for us to look at. And some of the things that I think you have already mentioned, like figuring out how somebody can stay on their property by building additional housing on it, I think is already in process, but we'll need your continued advice as we come up on potentially making decisions on some of those issues. So thank you all. This was really informative. Maybe we can help you with those 10-foot strips -- >> Thank you very much. I do want to say you've got an incredible staff now in neighborhood housing. With Rosie there and Mandy, as I mentioned, Rebecca. I've been doing this sort of dealing with neighborhood housing for 20-something years. I'm scared to say. And this is probably the best, strongest staff that you've ever had or at least as strong as any. So -- >> Casar: Thank you. Appreciate it >> Casar: Okay. Actually, does anyone have anything to say on that topic before we move on to the next topic, the G.O. Housing bond proposals? Is there some general interest in working in future committee meetings or potentially working just on resolutions at the council level on some of the structural adjustments?

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So potentially we might be working on resolutions to get some of that stuff moving is what I'm hearing off the mics. Okay. So for our last presentation we are going to talk about the affordable housing bond. So welcome, everyone. >> Thank you. Again, Rebecca giello with neighborhood housing and professional development. I'm joined by several others, Rosie, director of the department, Mandy de mayo day two as our development administrator and David potter has actually been the program manager since 2006 just for the general obligation bonds and actually handles all of the financing and putting together the

deals that come to us both from the private and non-profit development community. So we have just a real overview and we started with some context recognizing that since we've last had this conversation with the housing committee we have two additional members that might want additional contacts. Some of you may have already heard. So forgive the redundancy, but we will quickly get into the proposed 85 million affordable housing development program and a little bit of ideas there. We are actually working every single week with the bond task force affordable housing working group and our team works with the working group each week along with staff and the finance department. So as those conversations evolve we believe that it's an interesting opportunity to bring information back to you all as well. A little bit about what we'll talk about is we always start every presentation recognizing that the audience is also the viewing audience so offering some context of affordable housing and household affordability is always important. An overview of the housing bond program funding needs and investments as we're moving forward with the conversations with the working group and then the 2018 bond development discussions underway.

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Recognizing obviously the general obligation bonds have played an important role in affordable housing, that definition being housing in which occupants are paying no more than 30% of his or her income for housing costs. Recognizing also transportation plays quite a bit in that housing cost. And then the imagine Austin household affordability context is really important where household affordability is about the cost of housing utilities, taxes and transportation. The housing bonds have been instrumental in household affordability when you take a look, for example, at community land trust where you can remove taxes from an individual's household costs, thus impacting their affordability and cost burden status. We don't spend too much time with the 2006 bond proposition, but it is worth noting that the funding overall, the 55 million, did lend to creating 2,593 affordable units and anything under 45 units on overall. We did want to remind you all of the bond language. The issuance of the 65 million was kept broad and we thought it was instrumental to the programs being presented today. Equipping affordable housing for low income persons and family as well as acquiring land and interest in land and property necessary to do so. This would come under a successful referendum. It was 65 million. We maintained the investment

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areas with rental housing development assistance which is of course the home repair programs, the home repair programs being the G.O. Bond G.O. Repair and the rental housing income assistance this is where we are also funding the permanent supportive housing as a reminder, we are working off of a

resolution of 400 unit goal for permanent supportive housing, 200 which serve individuals in need of housing first. So the conversation we'll have in a few minutes is maintaining those broad programmatic categories as well. You all have seen this map where we recognize that the general obligation bond program has infused capital, which has allowed for geographic disbursement. We would highlight that these funds have been critically instrumental in doing so, leveraging the nine percent tax credits which we have seen crediting into the higher opportunity areas noted on the map. The spending plan -- well, this is actually very project specific, which we've invited David Potter to join us if you all get into the specific projects of each of these investment areas. I won't spend time on this particular piece, but I've and every one of the adoptions, and you have recognized this by inviting the developers to the table, has a very unique story, serves a very much needed population and has most often been, as development community partners have said, a labor of love, often times requiring multiple layers of financing to get each of these done with lots of background stories on each one. The permanent supportive housing continues to be a

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program area and will be a source of conversation that has already been in the working group as individuals providing permanent supportive housing has been invited to speak to the working group about the very specific need there. We have felt that it was very important and actually I want to recognize councilmembers for the adoption of the strategic housing blueprint. This offers us really for the first time a framework, a very crucial framework in discussing the gaps and the numerical goals related to the funding or any of the revenue or the strategies that we'll be deploying in the future. So we acknowledge that we are positioned somewhat differently in speaking to the community with the blueprint around these needs. A component of that is the community values. When 18 months of community engagement culminated, what we found was a set of community values that are more vibrant, I think, a little bit more descriptive than what we were using. As a reminder, we are using the deeper affordability, geographic disbursement, long-term affordability, and all those are present here. We are now looking at a new set of values that are driving the conversation. These values being to prevent households from being priced out of Austin, foster equitable communities, invest in housing that serves most in need, creating new and affordable housing choices for all Austinites in all parts of Austin. And helping Austinites reduce their household costs. Also recognizing that on it was very important as we began to speak to the community and continue to speak to the community about

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the need that we are able to place a cost to what that need is. And you all have seen this in the blueprint. You have also seen the context around the 60,000 income restricted units with the goal to create those over ten years. And we offer this just simply so you know as we go out and do the public information sessions on any of the bond conversations as we get invited it will be within the context of the blueprint. So this table is an important one for us because it recognizes where the general obligation bond funds play in what I think we lovingly refer to as the stack, recognizing that where we see the green is somewhat the unsolved resources and strategies still needed to create the overall 135,000 unit goal. So the general obligation bond funds play a critical role in the deliverance of what we look at over the next ten years as that overall 135,000 units. I'm going to skip a little bit to how we will be kind of talking about the -- sorry. My paperwork is not in line with this and my -- and I'm not wearing my glasses, so be patient with me as I look at beautiful blurry colors. [Laughter]. So the the 2018 bond development, again, we believe that this would be an evolving conversation with you all. It's right now at 85 million for this dialogue. And it is programmatically broken down for you there, really more in general

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administrative programmatic conversation. There's a little bit of explanation there. When we go out for the general obligation bonds, what we had been really instructed and directed by the community is to keep not only the referendum language as flexible as possible, but to not lock in language that would be crucial in allowing the council the flexibility. So whereas we are looking at a spending time for not only 2006, but also 2013 as being roughly five and six years, those numbers really represent what another allocation of 85 million would be programmed over a six-year spending plan. Keeping in mind not only the trend in how we have been allocating those funds, but keeping it also kind of locked in on the six-year communications forecast. So you're looking at 18 million for ownership. The bulk of the funds being in rental housing assistance at 49 million supporting those gaps and goals in the blueprint. And then the conversations internally as we begin to move forward are needs for additional general obligation funds do recognize an additional one million dollars for home repair over the course of six years. And this has been feedback not only from individuals who have benefited from the program. It is supported by the needs brought it forward by home repair coalition members as well as the recipients who have administered that program. So as a reminder, that program has been administered the first six years at two million dollars a year and this would represent an increase of one million dollars. And then land acquisition -- an increase of one million dollars per year. >> That's correct.

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>> Land acquisition is a conversation that we would like to have with you all and we've introduced this to the working group. This has been and will be an opportunity for to us partner with the office of real estate services in identifying the acquisition of land per not just the council's direction, but where we believe that the blueprint has signaled the need for additional investment. Currently right now our programs are programmed through an open application process. As you all know we bring those to you through the Austin housing finance corporation board agenda. What we have not been able to do as effectively as we would like is to bring you deals real estate opportunities in partnership with the office of real estate services that would represent new opportunities to acquire land and provide opportunities whereby council would develop community benefits, obviously the affordable housing piece being one in key areas of town. And I think we all recognize the grove is one opportunity where if we had even a portion of funds, and that might not be the best example because it was an an aggregate, a fairly significant amount of money, but there have been smaller opportunities that we will get through the office of real estate services, for example, where opportunities come to Lorraine Rizer, our real estate officer, and she will say this has come to the city of Austin. This would 'three, four, six million dollars. We believe it's in an interestingly ripe area where gentrification may be taking place or where we know investment should be steered. And we're not in the position to identify funding for the real estate transaction. And so we began with an ask that was somewhat higher, with you recognizing that we

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scaled it down in the overall context of what was moved forward. It is right now at \$10 million. We've been asked by the community, we've been asked by council. We've been asked by the working group if additional funds were to be allocated toward affordable housing where would staff potentially recommend that, and this would be one key programming area. And finally representing that a little bit differently is currently right now kind of the four buckets of programming, and that is really programming for maintaining the program level at 65 million, additional funds for land acquisition, aligning additional dollars for homelessness needs to be an area where we would look at and represents that 39-million-dollar discussion point for rhda, and then importantly recognizing a little bit of additional funds for the home repair program. And we are available to answer questions should you all have them and we're also obviously available to continue this dialogue as we move forward toward the end of the year. >> Casar: Thank you. I think there are some questions from some councilmembers. Councilmember kitchen. >> Kitchen: Oh. I just was curious about -- well, you kind of answered it. I think the process for the bonds was to put forward a certain amount and then there was a process of what ended up in front of the committee. What did y'all put forward as the original proposed amount that got moved back to 85? >> I think Rosie may remember the exact number. >> More like an additional 75 million. 175. >> Kitchen: 175. >> We were substantially looking to fund the land acquisition and in that last

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slide that Rebecca showed where it showed linking resources to the 127-million-dollar mobility bond, we feel that's also an area that as the work happens, associated with that bond package, that those areas are going to be ripe for a lot of change. And if we have funding -- and it will require dollars and to a great extent to maintain the affordability out there. So if we had funding that was targeted towards preservation of affordability or -- it would be the same kind of programming, though, that would happen with rhda, but with the focus of recognizing that those corridors are going to see a lot of change and we need to make sure that we are able to act on maintaining the affordability in those areas as that change is happening because if we don't it's going to be too late and we won't be able to do it. When we were looking at substantially increasing our funds we talked about maintaining our current business levels or current funding levels for our programs, recognizing we wanted to fund our home repair program additionally, and then really looking at land acquisition as a real opportunity so we can through rfps make properties available and take advantage of the fact that we get first crack at a lot of things and then not -- and be positioned to not lose out on the opportunity to affect the mobility around the corridor changes. >> Kitchen: So the 175 million, have you been able to present that to the subcommittee of the bond committee? Have you been able to present that figure? >> We did. One of the things they asked for when we were working with finance reach week is what was the original number? Itly led to if it could get back up to that number where would you allocate it? >> And the 175 is obviously just a drop in the bucket compared to the needs shown

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on the blueprint on the 85 is a step back from a drop and of course we're trying to negotiate with all those other needs, but -- and I understand you having to prioritize and slim down, but I think that we discussed in work session recently that there is a decent amount of support on the council for us trying to go for three digits if we can. And so we of course have to negotiate those needs amongst the various ideas the task force has. I appreciate you guys making the 174 as we try to figure out how to put that package together. >> I might say and Mandy might be able to speak to this. At day two of her work at the city of Austin from housing works, there's a great deal of information out there about the success leveraging our bond dollars and the return that comes back associated with that. >> Oh, I am on. Mandy de mayo, neighborhood housing and community development. Going to take me awhile to get used to that. We did a study of the 2006 affordable housing bonds and what the return on investment was with those housing bonds. So not just renew the number of units that we created and we knew anecdotally the lives that were changed. We wanted to know how many jobs were created, the dollars leveraged and what the impact on the local economy was. So we did a study based on the 2006 and then it was

just released in December so it's on the housing works website. We missioned an economic consulting firm. And using kind of industry standard too old called in plan they kind of plug in all the different numbers that we created, the type of housing it was, the type of units, the rent paid. And the biggest ah ha moment of that was between 2006 and 2013, in 2006 we leveraged our bond dollars about four to one, which was pretty good. We were kind of excited about that. 2013 we leveraged -- our leverage ratio at this point

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is seven to one. So for every dollar that the city invested, the developers, those folks sitting here at the table, the mark Rogers and the Megan lashes, found another seven dollars in private financing. Often grant dollars, foundation dollars, private dollars. So that was good. We're trying to really pinpoint what that -- what caused that increase in leveraging. I think in a lot of ways both Megan and mark here before have done tax credit developments. That's really where you get the most bang for your buck in a lot of ways because it requires a significant amount of leverage. The tax credits bring that equity. But then you're selling that through a syndicator, you're selling the tax credits and bringing those extra dollars to table. So with the bond investment, the 2 million, 3 million, depending on what type project, then they're able to bring additional dollars to the tax credit. >> And that's helpful in the context of what we were just talking about because if we went from 85 million and added, say, 25 to go to 110 we're not adding \$25 million to bring the bear to affordable housing if that's being leveraged seven to one, you're talking about over 150, \$175 million more that are being brought to the table through -- >> And it would have an impact on local economy. That's kind of what interested me if you look at the actual study, which again is on the housing works website, it looks at how many jobs were created, who were we employing here, obviously locally. And once those workers get the money in their pocket, what are they spending in the local economy? And then the ongoing operation of the housing as well. Because obviously once the project is up and running you have maintenance staff, you have leasing staff. You have a variety of staffing. But then you also have people who are saving money on rent so that's additional money in their pockets, which they then spend on

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other needs. Housing is typically the number one in any household's budget. Number two is transportation, but health care expenses, we've got food, we've got clothing, we have all of these things that low income families are disproportionately more likely to skip in order to pay for housing costs. And so once they have stable affordable housing they're able to spend that in the economy. >> Casar: Thank you. Councilmember alter. >> Alter: Thank you. First of all welcome, Mandy. It's wonderful to have you

on board at the city. Always love to see district ten folks at the city. I had a couple of different questions. First of all, I wanted to clarify the original ask before it got into the 85 with the 175, was the balance under land acquisition or how was that divided? I know you said you talked about that with the bond task force? >> It was largely under acquisition. I think initially we -- I think it was land acquisition was brought up. So we had housing rehab, expansion and replacement at 65 million. Then 1005 for new housing. But it was initially 50 million. 105. >> Alter: So 40 million of the 90. >> And the rest was loaded into -- >> The housing developer. >> My columns are cut off. I'm trying to refer based on limited characters here. That would allow us the flexibility knowing that -- we talked about whether or not we wanted to separate with program language the idea of focusing on those corridors, but keeping it all in the same general bucket allowed us to maintain flexibility. >> Alter: And Ms. Demightio, when you did the -- de mayo, when you did

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the research, was there any way to tell which bucket leveraged the most dollars? Was it land acquisition? >> They leverage at different rates and so we looked at -- we hired an economist. We did not do this work in-house. We looked at home repair actually had a significant leverage rate, which was interesting, and preservation over new construction had a little bit higher leverage rate, but that was in the 2006 and the 2013, unless I'm mistaken, predominantly all of them are tax credit and all of them new construction. They're all rental versus when we looked at 2006 about 75% were rental and 25% were ownership. And the ownership does not leverage as high as the rental housing. The vast majority of these are tax credits which have the highest leverage ratio and below that the the leverage was probably home repair. >> But that doesn't also measure if you combine things. I could imagine doing tax credits combined with land and doing, you know -- >> We didn't do that. >> We did not separate out like which portion of development leverages the most. It was looking at the project overall so the total development cost, how much was bonds, how much was other sources of funds. >> If you wouldn't mind sending over, that would be great. >> I would send you a link. >> Alter: The last question I have for right now is how are we imagining this being broken down for the bond? Are we imagining that this is one proposition for the housing? What are the limits that we're currently operating under in terms of how we're thinking about that? >> Typically what we've seen is the housing initiative is

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underone proposition. It's not broken up into home repair in one proposition, and developer assistance in another. It's lumped all in one bucket. That's what we've seen the last two times. >> The last two referendums. And you know, I think it would be important that you all want to know more about the

development of the referendum that we definitely bring law into the discussion, but I would say where we have seen success in the community for the bonds I would want to steer that same course unless there was a reason not to. I think there were a lot of reasons that were put forward not necessarily by the city, but by stakeholders that we heard from when the secondary election for -- >> 2012. >> 2012, when it was not successful. There's a lot of pontificating on that even today. One of the reasons stakeholders felt that we had heard was that there was confusion around the referendum. It had been slightly different than the first if I recall. >> It had some very specific language, as a result of all the bond propositions it was kind of the lengthiest. And so what the aftermath was when folks were looking back at that bond election, was if you don't know anything about the bonds and the ballot is your only educational tool, a lot of us just go in the ballot and say do we vote or not, that the language was overly restrict active and confusing. >> So we would want to simply look at those kinds of issues in drafting the next go round. >> Alter: The reason I was asking that question is one of the things that I'm also interested in addition to acquiring land for affordable housing is acquiring land for open space. And sometimes those

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opportunities come together. And I just want to throw out there that, you know, as we're looking to increase the amount of money or the land that could be used for affordable housing that we think about what it would mean to combine those -- that amount of fund to get a much more significant amount of funds so that we're ready in either case to be able to acquire whichever land it is that is coming forward as an opportunity. It could even be tied to state land or county land or something, but I think we have some opportunities, which I appreciate in the high opportunity areas, where we really do need to think about getting that balance and understanding that these are going to have to go hand in hand in we're going to be able to accomplish those goals. >> And we have had that conversation with parks about opportunities that come up and wanting to work collaboratively before -- like before parkland is dedicated to make sure if there's the ability to partner that that partnership occurs at the right point in time. >> Alter: Thank you. >> Casar: Thank you. And councilmember alter, I think that's a really interesting idea. And I think it would be good for us to reach out to bond council and figure out what the options might be. Any other questions on this item? Thank y'all so much for all your help in all these presentations. And I think Mr. Rogers' compliment to y'all was very kind and played out to you today. Thank you very much for your work. Before we wrap up, we are slated to approve our meeting dates for the calendar year 2017. I do not have the piece of paper with those on here in my stacks of paper, so I might ask for someone to bring that to me so we can vote that out. So we still also have a moment to talk about any

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future agenda items. So we'll buy some time by talking about that really briefly. >> And I can stall for a quick minute to say for the questions that came up we April 28th committee meeting we included those in your binders and they were emailed to you, the responses to those questions. And that's typically how we have handled with the previous housing committee, that's typically how we handle it is we deliver the responses at the next available meeting. There's a different process that you would like us to follow, then we can certainly -- we're open to that. We did what we've done in the past so that's how you got the information for this meeting. >> Casar: I found that really useful so thank you for having sent that too. Are there any issues folks want to bring up for future committee meetings? I thought it was very useful for us to put this together, the homestead preservation district's issue that we were thinking about discussing today, given the state legislature just leaving, we're delay for one more meeting. So I think tips and the future of HPDs will be something important for several of us to have on the next meeting. But is there anything else that folks want to flag now? Councilmember kitchen. >> Kitchen: Well, I would just suggest that somewhere -- I'm not sure when, it would be useful to continue to track the bond issue. So that will come back to council sometime late spring probably so sometime before that it might be helpful for this committee to understand what the recommendation is that's going to come to us. >> Casar: That's helpful. And I thought it was really great to have you here for this one. So of course we'll keep you up to date on when the meetings are, but potentially the two meetings for now, once the citizens group has worked a little bit harder on it maybe we can get an update from folks on that group and make sure that you're here for that. Councilmember? >> Alter: As we evolve our discussions on some of the items that came up early early about the service

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extension requests and the expedited site plans and the easements as appropriate, I think we may want to bring them to the committee for wider debate. >> Casar: That would be helpful. I've listed expedition of site plans, the service extension request, easement question and parking as it relates to what we're actually seeing happening on the ground. And I think that if you will work with me to figure out how complicated those issues might be and whether we should discuss them in committee or whether the best thing is for us to put them in resolution format, kick them to staff and have the results come back to committee, I think those would be the two traditional routes and I think it's how complex the issues are underneath. So I would love to work with your office and anybody else on the committee to figure out which of the two paths to take. >> Sure. One thing that we discussed in our precommittee meeting which didn't have -- didn't come out with our discussion to visitors is whether or not there's some additional alternative financing mechanisms that the city might be involved with when we have land and it's really a question of getting that construction up and in sort of a temporary period of time we had some questions about the financing. I'm not sure what the technical term is within the housing world for that, but the idea is basically you need a loan of \$120,000 to do the construction, and you don't have

that ability to get that loan, but you have the land, is there a way for the city to be providing those resources. And we may already have a program, but from our discussion it didn't sound like we did. >> We do. That's what David just said. David said we do. >> Alter: Then it sounds like there might be some need for more people to know about that program. So thank you. >> Renteria: I would like to also -- if it possible. I don't know where you are at on the strike fund. If y'all could give of where

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we're at on that. >> We'll reach out again to the mayor's office. The strike fund is actually not something that we as staff are involved with. We've expressed our interest in getting a briefing for the housing committee when they're ready to have a briefing so we'll extend a hand to them and see if there's a timetable. >> Casar: And one other issue that had been brought up bay councilmember was looking potentially at what other cities do as far as tax abatements on affordable housing in ways similar to our historic preservation abatements. I know other places have much more expansiveness on that than we do, but I know there may be a way to sync that with the tifs and HPDs to maximize the effect. >> And we have that noted from our conversations and that's one of the aspects that we you just need a little bit more time to do some prep work. >> Casar: Great. Thank y'all. I got a note that actually our staff says the committee are still working on the best dates, which is why I don't have a list. >> There you go. >> Casar: So we will hopefully just figure that out between here and the next meeting. But thank y'all very much. I thought this was very productive and thanks to everybody on the committee for attending. Is there a motion for us to close this thing out? Councilmember Flannigan, seconded by vice-chair alter, I think. And I don't think anybody is opposed. That way we're not just in recess between here and two months from now.