

City Council Special Called Meeting Transcript – 6/13/2018

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[11:15:29 AM]

I'm going to call to order the codenext council work session here on June 13th in the boards and commissions room. We had sent out a schedule which had us going until noon and then breaking for an hour, then coming back at 1:00 for an hour, and then leaving a hole for the health and human services committee to go until 3:30. And then us coming back again to be able to do codenext and concluding our discussion before 5:30 with a discussion about what happens next on codenext. We were working our way through the codenext discussion topics when last we were together. We were in the income-restricted housing. We had reached some consensus on housing generally. We had reached some consensus on scale of affordable housing, some consensus on a desire to achieve as much income-restricted housing as we could. We spent a fair amount of time about how things get calibrated and the way that the code currently as well as the draft differentiated with calibration in different parts of the city. Where do we think that we are at this point?

[11:17:29 AM]

It looks to me like we're at the -- probably close to the conversation about a-1-a-3 unless people think we didn't really hit the second half of 1-5-1 and 1-5-2, -- 1- a-2. And should affordable housing bonuses be calibrated for the income restricted units. I think we went through that question and it should, but we removed numbers. And that gets us to 1- a-3, which gets us to base entitlements, should they be calculated with housing bonuses. So is this a question of -- I think Kathie was the one that put this question on here and I was going to ask her to articulate. Ann?

>> Kitchen: I just want to note, we didn't actually talk about 1-a-2. But that's okay. I think 1-a-2 and 1-a-3 are very closely tied so I think we can talk about them together. They're both about calibrating. What I mean by saying is that we didn't actually -- we may have talked about it, but we didn't actually do an indication of closed hand, but that's okay. I think a 2 and a 3 we can have those conversations together.

>> Mayor Adler: Okay.

[11:19:29 AM]

So did 1-a-3 come just from mayor pro tem or Alison, was that -- that was your group or forum?

>> Alter: Yes.

>> Mayor Adler: Can you articulate the policy issue that we should be discussing associated with that?

>> Alter: I certainly can try. I think part of that we wanted to understand is as we've done for the other ones what is in the draft and what is PC recommending and the staff's response to that. But I think the broader concern is that there may be a trade-off between giving base entitlements and giving affordable housing. And I don't think we've had that discussion. And that trade-off comes in many different ways and I don't know that I have all of those listed out to be prepared because we haven't done where -- we have to surface the policy question but for me one of my concerns is that we have set the entitlements so high that the incentives to do the affordable housing are not there. So we are creating an environment where we will get the market rate housing which in many of the places we already want the affordable housing, will not yield anywhere near affordable housing and we will not get the affordable housing whether it's in the capacity number or not. The reality of the market is that it will not be provided. And there are many different levers that you could use, but one of the levers that we have not had a conversation about it is if the base entitlements are lower, the incentives to do the -- getting the additional floors are greater. And when you get to a certain point with your entitlements you also have to change construction types and I'm not fully understanding how that's playing out in the draft or in the PC recommendation. And so for me I would like to understand that because more density does not make it more affordable and it certainly doesn't deliver units at these affordability levels unless the incentives are aligned.

[11:21:39 AM]

And the math is not working for me on that.

>> Renteria: Mayor. And I also feel the same way. I always came in to the codenext rewrite so that we will keep the base unit as low as possible that we can so that we are going to get the benefits and the bonuses that come with it if they want to increase the density. Because one of the main reasons why I supported the rewrite of the code is because we need it more -- we needed more affordable units and that's one of the main reasons why I was supporting codenext is that with the understanding that I wanted to see more affordable benefits -- affordable unit benefits to the community and not increase the base, and that's going to be a big concern for me because I -- I'm not going to be able to support that if we increase the base without having any kind of benefits.

>> Kitchen: Maybe we could run through them telling us the current code draft 3 PC recommendations. Would that be good.

>> Mayor Adler: I think that would be good. And I think with respect to the base zoning question, one of the things I would like to have you address as you go through this is the degree to which draft 3 up

Zones property and where it up Zones properties to be able to understand what we have done to extend existing base entitlements.

>> Mayor and council, Greg Guernsey, planning and zoning. Generally draft 3 pretty much is the base zoning that exists today.

[11:23:44 AM]

It reflects it in a different zone category and does take into consideration where you might have compatibility standards that exist already in place today. So they may have been given a zoning district that was more reflective of what they could actually build today. Draft 3 is very close to the base zoning that we have today.

>> Mayor Adler: I know there's a perception that properties are being upzoned in codenext no that the base code is existing. I'd like to know whether that's true or not true or where that's true. And the last thing that you said was if you put a tool on it not to how it's zoned, but how it might be limited given current capability, that would actually be a down zoning.

>> Actually, it's really reflective, and particularly on smaller lots that have smaller lot depths, you would not be able to achieve in many cases the height of the base zoning district. For instance, if you had a property zoned cs, that allows a height of 60 feet, but if it has residential zoning like sf-3 behind it, single-family homes, you could not get to that 60 feet, maybe closer to 40 feet. That's what you would see reflected on a lot of the maps. It's not exactly the same.

>> Mayor Adler: The lower height. But that would in essence be a down zoning to reflect current conditions.

>> It would reflect the conditions of what they could build today. I'm not going to essentially say that's a down zoning because you're not necessarily taking away a right that they had previously because they could never achieve the height to begin with under a current ordinance.

[11:25:59 AM]

So the base district may allow 60 and in reality they could only do 40. So it would come closest to a district that might allow the 40 feet.

>> Mayor Adler: But yet the concern persists, I hear otherwise, do you know what areas people are pointing to when they're saying that something has happened?

>> I think it may be towards uses because we try to right size uses and that you might find that there is some places where the number of uses that are allowed are different than what they may be allowed today. So that is some place that we do see. And there may be some areas where the -- along the corridors we've introduced mixed use, although if they were nonresidential today, in many cases they

received something called a dash a that if they want to take advantage of the residential, then that triggered the affordability component. But that is something that does not exist today. A lot of those areas where you have just gr or G.O. Or cs, those districts people are saying that we've up zoned them because we've allowed the residential component to be introduced, but it's only in exchange for affordability.

>> So where you've added residential on commercial uses, it's always tied to an affordability requirement?

>> Yes. If today it doesn't allow for residential.

>> Mayor Adler: Okay. And the other one before that you talked about was changes in use where you talked about what that change of use would be.

>> For instance, in neighborhood areas, today we have different categories of office, of no and lo. They're lower intensity office Zones and then the lr zoning category, which is a neighborhood commercial category.

[11:28:06 AM]

We've combined those together to be reflective of what neighborhood commercial might be. So there is flexibility of someone going from retail or office or office to retail that you don't see today in our ordinances.

>> Flannigan: Mayor? So I'm -- I think this is a really important conversation because there is a lot of confusion. And I can point to specific areas of my district where the zoning is lower than what's on the ground now. Like the duplex that I live this that I keep citing is only zoned r-1 under draft 3. So I think what I'm hearing is that there was an intent, but that doesn't preclude there being areas on the map that maybe missed the intent. So if what we're talking about is the text, I think I would prefer to say focused on text conversations rather than ending down a map road because I can see stuff in my district on the map that doesn't match the intent and I think it was just missed. And we can fix those in a mapping correction process at some point. We haven't figured out how that's going to work, but if it's possible to get back to the questions at hand. Even though it is a really important miscommunication that I think is happening, but some of those might just be map errors as opposed to intent. And that may be people hearing this intent going that's not what I'm seeing on the map. It doesn't necessarily --

>> Mayor Adler: But it would be possible for us to adopt a direction or policy on what we would want to see on a map. We could adopt a rule that said we want commercial properties that currently don't allow residential properties to be given a residential component if it's tied to affordability in a calibrated system. We could adopt -- that would be a policy then that could be mapped generally and certainly there could be exceptions to that that people could come back in and say I don't want to put -- that's a mapping question, but I think ameanable to us doing something.

[11:30:13 AM]

Ann.

>> Kitchen: Okay. So in keeping with the text, and because I understand what councilmember Flannigan is saying. I need to drill down a little more, Mr. Guernsey, because I don't think I'm quite clear on what you're saying. So did I hear you right to say that with the Zones, the new Zones under the draft 3, that all of those Zones do not allow for any more entitlements that -- setting uses aside. Setting uses aside from what you said, let's talk about entitlements with regard to height first. So height and the other kinds of things like that. So are you saying that with all of the new zoning categories, none of them raised those kinds of entitlements?

>> There are some adjustments to height.

>> Kitchen: Which ones are they?

>> And it's difficult for me to go through the entire code.

>> Kitchen: You don't have to be specifically.

>> But the types of construction are a little different today so depending on if you're talking about height that is the perspective, the base district where height of compatibility, there are some minor adjust maybe of five feet or so to recognize the different types of construction that may take place today. So where you might have seen 40 feet, you might be 45. In general those base districts, as we applied them, did take into consideration of what you would see in compatibility, and as I said, those are really talking about lot depths that are shallower. 140, 150 feet in-depth. Then you might see some changes in what the heights that might be applied to those properties. And though I'm not talking about map, but we did take those considerations in the districts that we created.

[11:32:13 AM]

So how they would be mapped would still allow for those uses and still recognize the site development standards that may be allowed today in those areas.

>> Kitchen: Okay. So may I continue?

>> Mayor Adler: Yes.

>> Kitchen: So I'm trying to parse out the things that you're talking about. So I'm not talking about compatibility right now because I understand there's a difference in draft 3 on proposed compatibility than is under the current code and that will have some impact. But I'm just talking about the zoning categories. So the zoning categories themselves -- if I heard you right, there may be some adjustments. The example you gave of 40 to 45 feet, but those adjustments have to do with-- owe are you saying that those adjustments are not additional entitlements per se, but they're more to address construction? Is that what you're saying?

>> Councilmember, yes. So in discussions, allowing 45 feet allows the same, generally the same amount of building that can be built, but it allows the community to achieve other goals. So having active ground floors, so understanding that the desire generally in the development community is to build taller ground floors for allowing either restaurants or retail uses or diversity uses. So that extra five feet is really helpful in allowing that to happen.

>> Kitchen: Okay.

>> I did want to add one thing about going back to the original point about up zoning. We heard this loud and clear in draft 2 and in draft 3 that is where draft two had base entitlements of residential of approximately 200,000. In draft 3 in working -- what we had heard from the community about not giving away that residential entitlement, we brought the base residential entitlement essentially back down to where it is today, but increased the amount you could build in affordable.

[11:34:24 AM]

So we took somewhere between 40 and 50,000 units of housing that was in base entitlements and transferred that to be under the affordable bonus, get through the affordable bonus. So I think one of the things we did hear that clearly about not giving away entitlements. So draft 3 is reflective of that, of what we heard from the community, from you as council and the commissions is that's primarily mu-a brought that into account too. I think at least on the corridors and the commercial discussion that's how we've really tried to address this concern.

>> Kitchen: Okay. So the last question and I'll see if anyone else wants to. So is it safe -- so is what you're saying that with the zoning categories, let's take the single-family to start with. Would owe the R categories.

-- The R categories. Are you saying there's no case in which those zoning categories are providing for up zoning in the sense of additional entitlements how we're talking about? It's just the kind of example that you gave 40 to 45 feet?

>> Councilmember, I would say the first part of the discussion primarily focused on the corridors and the mixed use kind of areas. When we transfer into talking about the single-family and the residential, I think there were several goals that were being accomplished there when we were talking about lot size. It was allowing us to accommodate for existing lots that may have been smaller than 5750, so bringing those into conforming status. There were the goals of providing more diversity of housing. So again looking at a spectrum of zoned districts that allowed either one unit per lot, two units per lot or three units per lot.

[11:36:24 AM]

I think when we look at it in the spectrum of the actual Zones, there are those that match the entitlements of the existing zoning. Where I think some of the conversation has gone in terms of up soap zoning, especially in the residential, it truly becomes a question of the way the Zones were mapped because again, since there are generally -- there are some zone that is equivalent to existing code. I think it is a question of the way that the Zones were mapped.

>> Kitchen: Okay. Rather than the zoning categories themselves.

>> Flannigan: I don't want to get us down a compatibility rabbit hole, but when I get to

[indiscernible], it's 35 and 40, not 40 and 45. So the base is 40. And it is 20 to 25 feet away from a residential house zone. When you put the overlays and southbounds and everything else in, there's a setback requirement that's 40 feet away, but there's 25 feet. So you get into the small areas of difference that I'm not sure is worth the complexity if you're really just talking about limiting a whole floor, but you're really only limiting it for five feet. I'm not sure what you're accomplishing with that. And the next 25 feet you're limiting the height by five feet and I'm not sure what you're accomplishing with that. I can understand if you were talking about Zones with a 65-foot standard, but when you're talking about Zones with a 45-foot height standard, the compatibility comes in and you're limiting five feet here and five feet here. Doesn't seem to be a substantial difference.

>> Mayor Adler: Ann?

>> Kitchen: I want to have the capability discussion, -- compatibility discussion but I was thinking we were not talking about that, maybe just --

>> Flannigan: I say that because some of the numbers weren't lining up with what I was saying in the text.

>> Kitchen: Compatibility is a long discussion.

>> Mayor Adler: The question before us deals with base zoning.

[11:38:26 AM]

My sense is that there may be agreement for the proposition that as we do base zoning we want to say that for commercial properties that don't allow residential uses, where they're proposed to have residential uses, the residential use has to be tied to affordability. Is that something that is a general statement that we can agree to?

>> Kitchen: You will have to say it again. I'm sorry, I can't quite track it.

>> Mayor Adler: --

>> Tovo: While the mayor is putting that up, I'll just say I have a migraine. This isn't sort of the new outfit?

[Laughter].

>> Mayor Adler: I have a hard hat.

>> Tovo: I thought about the hard hat. I needed something to block out the lights.

>> Mayor Adler: And here I was just trying to come up with a statement that related to base zoning. Because my sense is that there's consensus about this in the community as I go around to different places. For commercial properties that currently do not allow residential uses, but are proposed to have entitlements of residential uses, a carefully calibrated affordable housing requirement should apply for any residential development. My understanding is that's what D 3, draft 3 does. That to me is a change from base zoning, but is something that there may very well be consensus on. Can we take a hand indication on that?

>> Kitchen: I have a question first. Others may have questions too.

[11:40:27 AM]

>> Mayor Adler: Alison?

>> Alter: If you have a question first I'm still trying to get my thoughts together.

>> Kitchen: So my question is around a carefully calibrated affordable housing requirement, does that mean, are we thinking to say what we've talked about is no additional entitlements unless there's -- that affordable housing is part of that? I'm not reading that to say that. Is that what that's meant to say?

>> Mayor Adler: That's what that was meant to say.

>> Kitchen: Maybe we could be a little more specific. It just says carefully calibrated, which may or may not mean that they get more entitlements without the housing.

>> Mayor Adler: Say that again.

>> Kitchen: Maybe it should say a carefully calibrated affordable housing requirement that does not allow additional entitlements without the affordable housing -- I'm sorry.

>> Mayor Adler: So what I'm trying to start from here is for base zoning, what the staff has said is that --

>> Kitchen: It doesn't change base zoning.

>> Mayor Adler: The intent on D 3 with base zoning is to try to keep us to what base zoning is as a general proposition. As a general proposition codenext is intended to keep base zoning the same as it is on current zoning. There are a lot of caveats to that. We're not a talking about changes in uses at this point and there being exceptions to that. But as a general proposition, and that's not written up there. The first proposition would be the codenext as a general rule should should try to keep base zoning the same. Then we start talking about exceptions to that. So base zoning is the same except for where we're taking properties, commercial properties, if we add to that -- and we could say commercial properties on corridors, but where we have commercial properties where we're allowing a residential use, we want that residential use to be tied to an affordability tag.

[11:42:47 AM]

So let's talk about the first question first. As a general proposition do we want to say that codenext should carry forth the current zoning? As a general proposition? We'll talk about changes in uses later. Because that's what I understand staff said they were trying to do with three. So don't look at this one yet. I jumped the gun here. Let's back up. The general proposition that I understand -- do I state it correctly that the general -- what you were trying to do as a general rule was to carry forth the zoning entitlement now, the zoning now, to carry that forward into district three as it is? There are exceptions with respect to certain things and uses, but as a general proposition that's the general proposition we're trying to hit. My question is are people okay with that general proposition as a general proposition? Leslie.

>> Alter:

>> Pool: I am because that was the assignment out of imagine Austin when we started out.

>> Mayor Adler: So you're welcome with that general proposition?

>> Pool: Yes.

>> Mayor Adler: Other people. Greg.

>> Casar: I have a question. For example in a transition zone, this is critical to that piece, if we're in a transition zone and we want to map a four-plex behind a larger apartment complex and currently it's not zoned for four-plex. In the 1950s it might have been allowed as a four-plex, but under the 1980s code it might have been banned. While that may not be in draft 3 currently, would agreeing to your statement mean that we would be agreeing not to do that?

>> Mayor Adler: No, because we're bookmarking the whole concept of transitions and compatibility and we recognize that those could be exceptions to the general rule or not.

[11:44:58 AM]

But we're not having that conversation now.

>> Casar: My proposed difference on that, and I'm going to plug in my computer here. But what I'll say just to see if it -- is my response to this question that we're on is that we want to meet our housing goals and affordable housing goals with the least entitlements that we expect will be necessary to meet those in imagine Austin, because if in analyzing draft 3 we recognize that we need some base entitlement increases and some base zoning entitlement increases for the strategic goals to get to the transportation goals, I wouldn't want to preclude us from doing that. And currently the amount of missing middle housing on the housing report cards being created by draft 3 is so minimal that it really asks the question is the council interested in doing any of that? And I actually think it's an interesting debate,

whether or not in normal house form and normal impervious cover, allowing more units is actually a base zoning change increase. And I don't want to send the incorrect message by signing on to what you just said that if people have different ideas of what that base zoning increase might be that we're going back on what it is that we wanted to do.

>> Mayor Adler: So to try to keep us moving, we're trying to cut out areas and find things that we generally agree on. So I would say that those two things are not consistent with each other.

>> Casar: They seem inconsistent. I could see how I could make myself think they're consistent. I just don't think the -- I could really understand how a lot of people might think those things are inconsistent.

>> So mayor, it's probably more correct to say that as we mapped the residential areas that are away from the corridors, that they are probably closer to what the entitlements might be today.

[11:47:01 AM]

And as you get to the corridors themselves, they're slightly different because they may have added that mixed use component or may have blended some commercial districts together. So keep that in mind. It is difficult to talk about this subject when you're trying to talk about text in map because it's very easy to go into the map and having a discussion. We do have districts that allow for missing middle, but it is true that if you go to a lot of the areas that are single-family and duplex neighborhoods Teed, you will not see -- today, you will not see a lot of the R 3 and R 34 in 4 in the city.

>> Mayor Adler: So let me go be bah and look at consistency or not consistency in those sentences. It seems to me as a general rule we want to map to where we are today. But we could also say with the exceptions as might later be determined. Because I think that that's a general proposition. One possible place for an exception that we need to talk about is adding residential uses into commercial areas. So we're bookmarking that. We're going to talk about that next, recognizing that we're going to talk about that. Another place that we're bookmarking because we know we still need to talk about it is whether or not we're going to increase the number of units that can go on lots proximate to corridors. But we're not addressing that now, but we're certainly leaving open the possibility to do that. So these statements as we talk about them are not intended to cut off any further discussions of any further detail that we might have. It's trying to take a big ship and kind of steer it.

>> Casar: I hear you, but on this one the detail you're marking out -- I can understand how when we want to say we want to achieve our housing goals that everybody can say, but we want to achieve it, but here are all the different ways that we're comfortable and not comfortable achieving it.

[11:49:07 AM]

But I think a broad statement saying that we are going to --

>> Mayor Adler: How about if we put, comma, except as necessary to meet housing goals.

>> Casar: Or housing and imagine Austin goals because I think there's viable transportation and environmental goals we might want to achieve.

>> Mayor Adler: Can we say we're mapping to where we are today except as might be necessary to meet imagine Austin housing goals?

>> Casar: I'm comfortable with that.

>> Mayor Adler: How does that sound? Leslie?

>> Pool: Along the city's activity corridors because the starting point was not in the interior of the neighborhoods.

>> Mayor Adler: So this goes back to the initial thing we talked about where we said we're going to focus in and along corridors and centers, try to leave the core alone. So can we say that to the degree that we're going to be picking up additional housing that would stray us from existing entitlements that we'll try to -- we'll first look at or we'll look at along corridors and possibly transition Zones?

>> Casar: Yeah. I think it's fine saying except as is needed to meet our housing and imagine Austin goals and subject to the wording that we all agreed to on the first day of this exercise. I know that we ended up having the word centers in there. I'm not trying to wordsmith it, but I think I mean the same thing as councilmember pool, subject to the thing that I reluctantly put up three fingers for at the first time.

>> Mayor Adler: I appreciate that. Can you type that?

[Laughter]. We need -- it would be great if we had a computer to be able to type on where we could change --

>> Pool: Mayor, I want to say I'm not agreeing to the additional phrase, and transition Zones, because we have agreed we were going to put transition Zones and compatibility to the side.

[11:51:07 AM]

>> Mayor Adler: We are -- we are going to put it on corridors and centers and we will have a conversation about transition Zones subsequently.

>> Casar: I'll try my best. It will be harder to write.

>> Mayor Adler: That's the concept. We're not deciding whether or not. There's some interest in putting that in transition Zones. We're not deciding that question now. Mayor pro tem?

>> Tovo: Mayor, are you suggesting that transition Zones be part of this sentence?

>> Mayor Adler: I'm suggesting it be there only to flag that we're not deciding that question now.

>> Tovo: I just think if we're not deciding it, we're not deciding it and it doesn't belong in the sentence.

>> Pool: I agree.

>> Tovo: We know that that's the -- that's a point we need to discuss. We've agreed not to talk about it right now. I'm happy to have that conversation at any point --

>> Mayor Adler: But if we say just along corridors and we're silent about transition Zones it would seem to imply that we are agreeing thought to put it transition Zones. So what language do we say that would make it clear as a group we're not putting it transition Zones?

>> Tovo: The problem is that there's a possibility of putting it in transition Zones. So if we're ready to have a conversation about transition Zones, let's go ahead and -- I think we just go ahead and have it rather than have the language -- clearly we're going to -- we probably are going to have differing ideas about transition Zones and I'm -- again, I'm happy to have that conversation, but if we're not having that conversation, then I don't think it gets reflected in this statement one way or the other.

>> Mayor Adler: Okay. So that I know how to parse the conversation, my sense is that there's agreements that a general proposition that we want to map codenext to what we have existing. But we also want to make sure that we're not doing that in a way that makes it so that we can't meet the imagine Austin housing goals. So we're going to have to check and make sure that we're able to meet the Austin -- the Austan housing goals.

[11:53:08 AM]

We've also -- the imagine Austin housing goals. We've also said that we're comfortable to adding residential uses in corridor and centers so long as they are tied to an affordability requirement. And we still have to discuss among ourselves the concept of mapping changes that mayor might not be included in transition Zones. Is that a fair statement?

>> Tovo: I mean, I guess if you're suggesting that we include the bit about transition Zones.

>> Mayor Adler: Just the way that I just did. I took it through the element generally we're going to keep it the same, subject to making sure that we have enough housing to meet the strategic plan housing. But that we are going to have an exception, there may be more later, but now we're recognizing an exception to that that allows us to put residential in commercial corridors and in centers but that it's tied to affordability. And we know that we are not expressing any opinions at this point on things that happen or don't happen in transition areas because we haven't had that conversation yet.

>> Tovo: With all due respect, there are other things we're not expressing an opinion about, compatibility. I mean, I just --

>> Mayor Adler: Subject to those things we haven't talked about yet.

>> Tovo: Okay. I guess I've expressed my opinion on it and my level of discomfort.

>> Mayor Adler: And if someone has an idea for process I'll take it. Everything we do will be contingent on all the other things we do. And if we can't reach agreements contingent on all the other things we still have to do, then we will never get an agreement until we're done and the very last will say now I can agree to it. So if there was qualifying language we can put in to say these things sound to us okay as a

general proposition, recognizing there could be lots of exceptions to it that we just haven't been able to discuss yet, if there's a way for us to be able to -- to be able to note what was I think pretty substantial agreement on lots of things that the community would like to be able to hear, I sure would like to have a process that enables us to do that.

[11:55:27 AM]

>> Tovo: I think we probably had a lot of agreement. I don't know this for sure because you didn't call for an assessment on it. I think we probably had a lot of agreement on that statement up until the transition point. So maybe we could test that and see how much agreement there is on that statement absent language about transitions.

>> Mayor Adler: So the problem that we had that was articulated was if someone just reads that statement, then we're not going to hear from somebody that we haven't decided anything about transition Zones, which would be true because we haven't decided anything about transition Zones. So if they just read the statement and it's silent to that, someone reading that statement could infer from that that maybe we're intending to say something about transition Zones. I wanted to put an asterisks next to it that said asterisks, we haven't got tone transition Zones. And I'm being totally silent on it I think could give the wrong impression, if we put an asterisks on it saying we haven't had any conversations about transition Zones yet, I don't know how that's misleading to someone who would read that whole statement.

>> Casar: Mayor, I've tried to answer this question and not have the word transition Zones in it. If we put it up we'll take a shot. Ignore the city emails that might pop up at the bottom. So the first one is trying to answer the question we're working on. The question is about base entitlements and housing. And then the second one is trying to take Ann's, councilmember kitchen's discussion in making it more explicit that affordable housing is required.

>> Pool: If I could, where is the original statement?

[11:57:28 AM]

I thought we were going to work from the statement that was up there before you put that up?

>> Casar: The statement that was up there is the second one.

>> Pool: Because the least by right entitlements piece is giving me concerns.

>> Casar: It's trying to answer directly what it is that is on the agenda which is how much by right entitlements should there be. So instead of -- it's just trying to answer the question that we are trying to not give additional by right entitlements except subject to our goals and that the location for those entitlements would be subject to the prior goal statements that we've already approved.

>> Pool: I was comfortable with how you had phrased it, mayor.

>> Mayor Adler: I know that, but everybody wasn't. Let's talk about this. Are people comfortable with this statement? So we're saying -- no?

>> Casar: Can you tell me what you would like to see there?

>> Pool: If the second paragraph up there is what you were originally reading from, that's the one that I thought we were working from. And it doesn't have the words "Least by-right entitlements." The mayor orated one and I think there are some challenges and there will be some consensus on that given that we can or can't mention transition Zones. So what he orated I tried to amend with the first paragraph. The second paragraph is what was up previously with a change to address councilmember kitchen's concern that it wasn't explicit enough that the affordable housing requirements should be required before any residential development is allowed. And I know the words aren't perfect, but it's trying -- but if folks have concerns with number one, I would be really interested in what they are because I think it seems like a pretty consensus position that we want to give as few by-right additional entitlements as necessary.

>> Mayor Adler: My sense is we're really close to this and just have to figure out how to say it.

[11:59:29 AM]

Ann?

>> Kitchen: Let me suggest something. I think that

>> Kitchen: Let me just make a comment on the first. I can see these as two separate statements. The first statement is a bit different than what we had said a little earlier so let me explore that for a minute. I think we were talking earlier about saying we did not want to -- and this may be a point of disagreement, but that we did not want to raise our base entitlements unless we were getting affordable housing for it. I think that's what I heard councilmember Renteria say and maybe it was councilmember alter. So -- and I think that's what I think was mentioned as our general rule.

>> Mayor Adler: Greg, can you type in a general rule above the first one? And it would say as a general rule, we want codenext to mirror --

>> Pool: To maintain --

>> Mayor Adler: To maintain existing entitlements. As a general rule.

>> Pool: , If I could, I would say, when this whole thing started, we were supposed to model after imagine Austin.

>> Mayor Adler: Let's stay with the proposition as a general proposition, we want to maintain existing entitlements. But obviously we're not going to do that everywhere. All right? So the next sentence could say for measurable properties that don't allow residential uses but propose to have residential uses,

affordable housing requirements should be required before any housing is allowed. Could you move that second one up? Okay. You did. So that's -- that's one exception.

[12:01:30 PM]

Now go down in a third paragraph. Now we're addressing residential areas, so it's for residential properties. Right? Because we just addressed commercial properties. Well, I think in this one, what we're saying is, and we have yet to discuss transition areas. Because we have yet to discuss transition areas. Is there anything objectionable with those three sentences? Ms. Houston?

>> Houston: So mayor, I was under the impression the things that we haven't discussed, we would just put in the parking lot so that we know that at some point they might be added back in, but at this point to put them into the conversation, they're in the conversation. So you call it bookmark but I'm just saying, just put it to the side --

>> Mayor Adler: Except where somebody raises the objection that if we don't at least note that it's bookmarked, they can't agree to the sentence that's up there because it would imply that the question has already been decided. But there's an element that's not up there yet, either, it was the corridors and centers issue. That's not on here. Generally, we want codenext to maintain existing base entitlements. However, for commercial properties, we want to say commercial properties along corridors and centers. That's what we're talking about. Right? For commercial properties along corridors and centers that don't allow residential uses but are proposed having residential use, affordable housing requirements should be required. Okay? So that one gets us, I think, to corridors and centers issue. And then what do we say about residential?

[12:03:32 PM]

I guess -- well, Greg, if we left off the third one, is there anything misleading in the first two that causes you heartburn or concern?

>> Casar: I think --

>> Mayor Adler: In other words, we're just silent on residential at that point, on residential areas, one way or another.

>> Casar: You're satisfying just the first two.

>> Mayor Adler: Just the first two.

>> Casar: I think that it's misleading -- it would be misleading to folks for me to agree that as a general rule, we want codenext to maintain existing base entitlements, but exception for commercial properties, residential development, when I clearly, and I think many folks, have been advocating not just during

this process, but when there was the vote on -- rewrite 2.5, for there to be the opportunity for more affordable housing --

>> Mayor Adler: So it looks like we could have a consequences vote in favor of both 1 and 2, which I think would be significant if we could agree to the third one.

>> Kitchen: Mr. Mayor, I have a suggestion.

>> Mayor Adler: Yes, Ann.

>> Kitchen: Why don't we just say, instead of adding language for the third one, why don't we say bookmarked, colon, discussion of transition Zones and compatibility --

>> Mayor Adler: That's Ms. Houston's suggestion. Maybe that's good. Could you tell that?

>> Mayor?

>> Mayor Adler: Yes.

>> I couldn't agree to the first sentence if that's what's considered 1. Regardless of what the previous council said the point was, I thought codenext was to allow more flexibility, and one example that comes to mind is, like, child care centers. There's so many base entitlements that do not allow the use of a, child care center, I thought codenext was supposed to cut costs by people either trying to build a small business or whatever and not having to come to council for a zoning change and for a variance.

[12:05:39 PM]

And so, I mean, the first sentence is against everything -- much of what I thought codenext was supposed to help.

>> Mayor Adler: Let's see if we can incorporate that. As a general rule, we want codenext -- that is the general rule. However, for commercial properties, we have this. And then the next one, and we are bookmarking discussions about residential properties and uses. We're bookmarking the following. Does that work? Help me come up with a way to use that first sentence and recognize that as a table, we have problems with just announcing the general rule. Alison.

>> Alter: I would like to suggest that we maybe take our lunch break. I think it might help us to think about this more productively.

>> Mayor Adler: Okay.

>> Alter: We've been going at this a while with yesterday and today, and I think that might be useful. I will want to thorough out, though, that I'm not comfortable with the second one because there are uses that are not -- there are places that are commercial that have entitlements for residential that were not mapped, a, and I understand that's a mapping problem, but it's also a policy question as to how we want to map things. We see this a lot in my district, and, you know, we want to have the residential in these particular areas, but we're not mapping the opportunities so that it will be affordable. And so that's

making me have some challenges with that, but I would like to have an opportunity to talk with my staff so that I can articulate that in a way that would be more constructive since I get confused in all of the letters that we have here.

[12:07:44 PM]

>> Mayor Adler: And we are past noon.

>> Tovo: I think breaking is a good suggestion. I don't know that I have a resolution to this, but I just want to point out that part of the challenge we're having is that we're talking together about our general statements, and we have concerns about different elements of these general statements, in part, because we're decontextualizing it from the actual circumstances. Councilmember Garza just mentioned child care facilities. You know, that certainly wasn't on my brain at all as we're reading about this. So to some extent, we might make better progress if we actually looked at the individual provisions. Are we talking about -- are we talking about child care provisions or are we talking about rezoning what some people consider to be a transition zone, which others in my district consider to be their neighborhood. You know, I mean, we just -- I think if we actually get down to the specific and looked at some of the specific implementations in the code that our staff and consultants have drafted, we might just make more progress. And, again, it's -- I know that we're on a different path, but I just want to point out one of the challenges we're having in wordsmithing the section, we have different objections to it because we have different -- it's very general, but it has broad implications, and different implications to different members based on what their -- where they think it's implemented in the code. And so it's just -- it's a -- becoming a real conundrum, how to participate this in a productive way for me, as the example.

>> Mayor Adler: So one suggestion might be, because child care would be one thing, but we're going to have a lot of them, and if we talk about child care -- or I don't want to lose track of those. So maybe one place for us to do it is to just start listing -- beginning with number one you were the bookmarking, things that we still need to be able to discuss.

[12:09:48 PM]

One could be child care. Two could be transition Zones. Three could be other uses. Just as a way for us to be able to see where there are exceptions to a general rule that obviously we're going to have to deal with and discuss and see if we make allowances for. But let's take the break on this, unless there's an objection. Otherwise --

>> Kitchen: I just have a logistical suggestion. It may be helpful for us -- and maybe staff can help with us this, if we had a computer, other than Greg's so he didn't have to worry about his email -- and a staff person who could help us type so that we could put it up.

>> Mayor Adler: That would be great. That would be great. In fact --

>> Casar: I don't want to take that as a slant on my typing skills.

>> Mayor Adler: We can probably give it to someone here. Okay. It is 12:10, and can we come back here at 1 o'clock? All right. So we're going to take a recess and we'll come back at 1:00. Everybody should be here promptly because we're going to take a break at 2:00 for the committee meeting. So we'll have 60 minutes when we come back.

[Council in recess]

[1:11:59 PM]

>> Mayor Adler: Are you guys set up over there? Getting there? So we have 45 minutes left. It is 1:12. We'll go until 2:00 before the committee meets. When last we were here I think there were a lot of agreements we had, but we couldn't figure out how to write them down without implying that we hadn't made other agreements that we hadn't made. Does anybody have any suggestions on how to get past this? Ms. Houston?

>> Kitchen: If we can get it up there.

>> Houston: Until we get it up, just one short, simple thing. Is there general agreement that we begin with existing based entitlements and do a fist to five on that? That's the crux of the whole thing and then we're trying to work around or find a workaround the other things, the compatibility is all around that. But could we at least do a fist to five on --

>> Mayor Adler: We could do that. The concern was -- we had that line up there. As a general rule we're going to start with the base, that codenext should reflect the base entitlement. S but there were other people who said anyone reading that sentence should know that we have yet to have conversations about other factors. That there are exceptions to that that are still to be discussed. So somehow or another if we're going to do that general statement we also have to convey that there are possible exceptions to that that we have yet to discuss. But there was concern with just saying that, that this is the general statement, but there are exceptions to that we haven't discussed yet. I'm trying to figure out how to get past that.

>> Houston: The process we did before, if I'm not mistaken is we would have a general statement and then do fist to five and see what was what.

[1:14:00 PM]

And then the general statement. We can always add on to the statement, but we've not agreed that the base zoning should be the existing entitlement exist entitlements should be the base zoning?

>> Mayor Adler: What would be the bookmarking for the possible exceptions? Because that's true and people wanted to say I could read the general statement, which I think is a really valuable agreement to

get, but also to let the public know that reads that to know that we have yet to deal with what the possible exceptions to that might be. I'm trying to figure out how we convey both those two thoughts because both of them are true. Yes, Delia?

>> Garza: I'm trying to brainstorm things as well. My additional concerns are, for example, I am for expanding where adus can be placed. Some members are not for that, so that's where I'm not -- another area in addition to childcare where I'm not generally okay with base entitlements because base right now does not ads in some areas where I think they should be. The crux of -- it seems to be more around when we're adding residential to commercial -- I want to go %-@back to your original one, I think was I think what the mayor pro tem said we could all get on board. It seems to be mostly about -- I don't think we can make a broad statement. There's too many caveats. So I don't know if something along the lines of when an increase of entitlements includes multi-family housing or housing. There must be a well calibrated affordable housing part to it.

>> Mayor Adler: And we did have that statement that skips the general rule because we can't say the general rule because we can't say whether or not it's absolute or whether there's a possibility of caveats. So we could just skip the general rule --

[1:16:03 PM]

>> Houston: But again, mayor, I agree with councilmember Garza that there's some places that we need to have accessory dwelling units, but we can't ever get there because that's stuff that we've bookmarked or put in the parking lot or wherever we've put it, but we have to say this is where we're beginning. This is the point from which we're beginning and then we may be going out on different ways. And we may not agree on some of that, but we may agree on some of those things. But I don't know why we can't just do a fist to five on the original language that you put up because I thought we had agreement around that.

>> Mayor Adler: We could certainly ask for a fist to five on either what I've put up initially or the general rule. We just don't have anything on the board yet. Mayor pro tem?

>> Tovo: I support councilmember Houston's suggestion.

[Inaudible - no mic].

>> Kitchen: As do I.

--

>> Pool: As do I.

>> Kitchen: I just wanted to -- I'm sorry, I can't find it, but I know we agreed to some general statements around ads when we first --

>> Mayor Adler: We said adus all over the city.

>> Kitchen: Councilmember Garza, I think you may not have been here for that part, but we did agree on some statements around ads that might be helpful for you. I'm looking them up right now.

>> Pool: Mayor, I have a point of question. Where is the document that we should have that -- I guess it's the draft minutes from the first two meetings that we've had on codenext. And that should have all the list of the topics that we've covered and what the votes were.

[1:18:04 PM]

>> Mayor Adler: So we have that with respect to the goal statement. I'm not sure we have that for the topics. Ann?

>> Kitchen: Councilmember pool, I talked and our clerk may want to speak to this. She and I visited earlier today about them putting together a running list for us. So if you want to speak to that, I know we don't have it right this minute, but I think the plan was -- I think you were thinking of doing that, is that right?

>> Pool: While she's getting ready to answer that, I want to add that -- I don't know where the city manager is, but this goes to my request for the public- public-facing -- the public-facing website that was similar to what we do for our budget questions. All of this could be captured in that public-facing portal so that the community can see it and we can see it. And that -- y'all remember that that was something that I requested be operationalized, and I think was at our last council meeting. So where are we can with that?

>> Councilmember, we understood that the public-facing portal was to house amendments, budget proposals. Did I say budget? Codenext amendment proposals. And certainly that is being worked on. And we will be ready to go live with that after just some additional staff work, but I don't know that that portal is being designed to also capture goal statements or these topics. It's really been about the actual budget amendments.

>> Pool: Right. And to be fair, at the time, those not budget amendments, codenext amendments were all we were talking about because we didn't know we would be going through the process that we went through twice this week and once last week. So as things change we also need to be agile enough to be able to accommodate that.

[1:20:07 PM]

So to the extent that we're able to, I think that the other information also ought to be uploaded whenever it is -- whenever that portal is made available.

>> And certainly we'll try to do that as well as providing the documents and backup. And Ed van eenoo will kill me because I said budget about five times.

>> Pool: Thank you. And I'm sorry -- I'm sorry, city clerk. Go ahead.

>> Yes. So the draft minutes from last week I can send out to you. I have those. I was just waiting for planning staff to review them as well to make sure we didn't miss any bookmarked items. But I can go ahead and send them out to you. The ones from yesterday we do not have ready yet because we've have to go back and listen to the video more than once to get some of the exact language on them. But councilmember kitchen and I spoke briefly this morning about just creating maybe what I'm envisioning might be like a spreadsheet that would show your general statements that you've made as well as any bookmarked items that relate to those statements. But I haven't had time today to start creating that, but we will start working on incorporating the ones from last week and this week into and then we can upload that spreadsheet as backup for the codenext meetings whenever you have the meetings.

>> Pool: And you would also be able to add that information to the public-facing portal.

>> I will have to check with the city manager's office because they're the ones designing that, so I'm not sure how that will work, but we'll work with them to figure out exactly how we will at least link so that people can access it in multiple ways.

>> Pool: That would be great. Thank you.

>> Mayor Adler: Okay.

[1:22:07 PM]

So do you want to take a fist to five vote? I think that we don't have the work that Greg was doing and Greg's not here. So I think that the first statement was something to the effect -- if you could write this down and then people could edit it and please use a font big enough for people to see. You might even bold it so that it's easiest to read. I think the concept was as a general statement codenext should reflect the existing, what, existing zoning conditions?

>> Alter: By-right entitlements.

>> Mayor Adler: As generally codenext base zoning should reflect existing what, zoning entitlements, zoning conditions? What's the right words? This is the general rule.

>> Zoning entitlements.

>> Mayor Adler: Zoning entitlements. Can you make that font a bigger font, please? That's good. Existing zoning entitlements entitlements. Okay. Do we want to show a fist to five on this statement? Please show me. Ms. Houston, is that a four?

-- A for? Yes?

>> Kitchen: We're talking about the codenext text and mapping. Is that what we're talking about?

>> Mayor Adler: Yes.

>> Kitchen: So let's put text and mapping in there. Sorry.

>> Mayor Adler: Should reflect existing zoning entitlements.

[1:24:09 PM]

Ms. Houston was a for. Ann is a five, Pio is a five. Jimmy is a one. I'm a four. Kathie is a five. Alison is a four. Leslie is a four and Delia is a five, Leslie is a five and Delia is a two. So how many of us are in the room? So there's nine of us? The room, so that was a 7-2 deal. Didn't get the eight votes to reflect consensus. I'm not sure we're going to be able to get to consensus unless we also identify the fact that we all know that there are a lot of exceptions to that that still haven't been considered or some that already have been considered and approved. So I guess at this point since nobody has figured out a way to reflect that, we should reflect that. Do you have a suggestion, Alison?

>> My suggestion was what was on there before for number two that I think we might be able to get.

>> Mayor Adler: So for number two, the second statement -- if you could leave that up there and just go down a little bit. Do you want to hand to the clerk what we had on number 2 and we can edit it now to get back to where we were before?

>> Alter: Before we edit, though, I think this is a case where we have the consultants here and it would be really helpful to work through a particular issue that pertains specifically to the additional of granting on commercial areas in residential, which gets fairly confusing. It is both map and text in policy, but I think we have to be on the same page on it and I think we actually could be on the same page on it, but it's causing some angst. So can you walk us through the affordability requirements for mu and Ms?

[1:26:11 PM]

And where I'm going is there are differences in how these have been mapped, but there could be a text fix or there could be a map fixed and it comes back to the policy question of whether we want to grant additional uses in residential -- in commercial areas for residential without affordability requirements or not. And you have to hear what the differences are.

>> Mayor Adler: Why don't you tee that up.

>> Alter: If you could walk us through that.

>> John Mccue with

[indiscernible] Design. In the mixed use districts and I'll go quickly through this because I think we talked about it in the past. Mixed use is replacing former Zones that only allowed commercial and now allowing residential uses. There are two situations in which the mu is used. Existing conditions where the zoning allowed residential. It's just mu 1, mu 2, mu 3, 4, 5, and there is an affordable housing bonus on top of a base entitlement residential. Conditions as kind of described up on the screen now where there are no existing residential entitlements. The dash a says that yes, you get residential entitlements, but you only

get it if you participate in affordable bonus. So your residential base entitlements are zero. So you can get to the same number of dwelling units as a mixed use zoning district that doesn't have dash a, but you could only get to that number through the affordable bonus program. And so I think that again is a reaction to what we heard very clearly in draft two that showed up in draft 3. To councilmember alter's question about the difference between . Moss Ms and mu.

[1:28:12 PM]

Ms handles residential density in a different way. The residential density in the Ms zoned districts we don't list a base density entitlement. You really just get an F.A.R. Amount, a height and so you can build a certain amount of building. Within that building volume you can put as many efficiency units as you want or as many three-bedroom units as you want, but we only get a certain amount of building to build. The affordable bonus program in the Ms zoned district then says if you provide affordable housing you get additional height which lets you get additional square feet. Sorry, it gives you F.A.R. And height which lets you get additional square footage to build more residential. Again, though, that is -- the developer has a flexibility of saying I'm in a market, maybe I'm in a district where two bedrooms are really what I need to match the market so I can put more two bedrooms. Or perhaps maybe I'm in downtown and providing more of a mix of studios and one bedrooms. That is a pretty big difference between Ms and mu. Where Ms doesn't specify a dwelling units per acre. It simply says how much building can you build as a base entitlement and how much additional can you do when you participate in the bonus program.

>> Alter: So let me try to restate that as best I can. That's very confusing. So you can have different types of bonuses for affordability. You can have -- that your in a commercial use and you get to have residential use that you don't have, and that's in the same --

>> Mayor Adler: Envelope.

>> Alter: Envelope. That's what happens in an mu-a zone. Ms Zones allow to you have residential by right, and there's lots of cases of mapping that we're seeing where you didn't have that right and then you're now being mapped Ms so you're getting the residential by right with no affordability requirement in exactly those areas where we want to have affordability.

[1:30:21 PM]

So we're missing opportunities to have affordable units in high opportunity areas because of our choice between mu and Ms. My concern here is it seems like we mapped Ms where the market demand was there and we mapped mu where the market demand wouldn't, so you don't get the affordable units in mu and you don't get affordable units in Ms because you haven't mapped them into the right place. And this can be fixed by changing the requirements in Ms Zones so you could have a new Ms zone for the properties that only allow commercial uses today that they were mapped to in draft 3, and include the

same affordability requirement. Or you could change the map and just map mu-a Zones on the properties that were commercial today that you have given this residential right to. And these this were precisely those areas where the demand for the residential is so great that you would be willing to pay the affordable -- this is going right to that question, but doesn't fit under that, but I think we could actually agree to do one of those two things or a combination of those things and provide direction assuming that we have this underlying statement that we don't want to give a residential use to a commercial property without requiring some affordability, which is sort of the model of our vmu. So in residential you don't get a. In residential where you get residential by right you can increase your envelope by a. And the question is if we have an area that can't do residential now why wouldn't we require the a to doing residential.

[1:32:27 PM]

>> We certainly can do that. The idea of switching the zone is the [inaudible], that would have the same --

>> Alter: Which is one of the options.

>> I think one of the things we had a chance to talk about staff before, while it is not the case, councilmember alter, we have had a chance to look at the district and talk about it, generally speaking Ms have been happened mapped on properties that had mu or V, so it would be very similar to mu in a lot of situations where I think Ms will show up without a dash a, but in situations like in your council district where they didn't have residential entitlements, it could be that we would end up with an ms-a that would be that you don't get residential entitlements as a base, but if you have [inaudible], you would be able to participate and be able to have residential.

>> Mayor Adler: I would still like to know why you did what you did. I understand we have options to do whatever we want to do, but can you explain why you did what you did.

>> Again, based on when we look at the entire city and where everything was mapped Ms, generally speaking Ms was mapped on parcels that already had residential entitlements. And I think initially when we looked at it we weren't sure if the dash a was going to be -- we got into draft 3, put in the mu. I think we even had discussions about the potential of dash a happening in the Ms districts as well. So that's again why I think we think that is an option to consider. We looked at it was primarily where we were mapping the Ms we were looking for production of residential, whether it was market rate and/or affordable. Also in a lot of the cases where the Ms is zoned, the affordable bonus would be seen as something very desirable in those locations locations.

[1:34:31 PM]

We anticipate people would take advantage of the affordable bonus program even in places where Ms was zoned.

>> Mayor Adler: So the question is -- I understand we could do it. Would you speak to us about having any policy reservations about having ms-a in the areas that are Ms. Right now we're existing, there's no residential allowed.

>> We don't see any policy issues. I think we as a staff would be supportive of doing this. Again, I would just caution that staff will go back and look and see which properties had residential entitlements and which doesn't and only apply the dash a to those that didn't. And I wanted to add the caveat that when that happens you may not see a lot of ms-a because I think generally speaking the Ms was applied to parcels that already had residential. So we could go ahead and do that.

>> Mayor Adler: So the statement on the board, Alison, that would match up to what you're asking for where if commercial properties that -- where they don't allow residential uses, but proposed to have it, there would be a dash a associated with it.

>> Alter: That there would be a dash a associated because they aren't proposed to have it. I would like to go further and provide direction, if there's not objection to provide direction that this be -- I mean, I'm not hearing any objections. I'd like to provide direction that this be addressed. There's another issue unrelated to the affordability part about whether in all those areas where they were mapped you would want to have the retail on the bottom floor of some of those places in my district. So that may be a further mapping issue that I have when it's a doctor's office and they want to have doctors offices and you're requiring them to have a cafe at the bottom and they're not in the business of having cafes that you may not get the development that you need in -- but that's a different issue.

[1:36:40 PM]

>> Mayor Adler: Hold on to that concept because I'll get lost and confused here. So the question is can we have consensus on residential properties that currently aren't residential, but are proposed to have residential uses, comma, the residential uses would be associated with an a.

>> Alter: I'm not sure that's how I would word it, but the general idea I think is --

>> Mayor Adler: For commercial properties currently not allowed to have residential, if they get residential it would be associated with an a.

>> Kitchen: So you're working on this language, right?

>> Mayor Adler: I am, yes. For commercial properties that currently do not allow residential uses. The concept is to say that there is that -- if a commercial property currently not allowed residential uses gets residential uses they would have an a. Is that the concept we're trying to write?

>> Kitchen: We might want to say that they would include the designation of dash a and in parenthesis, which requires the affordable bonus program. Yeah, there you go. And then -- yeah. Is it the right term would require that -- would require affordability or would require the affordability --

>> Mayor Adler: Don't delete that language yet. We were going to get back to the calibrated stuff, I thought.

[1:38:45 PM]

>> I think you would say calibration in the affordable housing program.

>> Alter: Would it be for commercial its properties that currently do not allow residential uses.

>> Mayor Adler: Or start the zoning with --

>> Alter: Zoning would allow residential uses only with participation and the affordability program. And don't ask me to say that again.

>> Kitchen: It's better.

[Laughter].

>> Alter: I just wanted to echo what councilmember kitchen was saying that the associated with a actually has to be -- because that could change through the course of our process what that means. But the intention is that it's an affordability requirement that makes-- that is to get the use.

>> Mayor Adler: So the sentence could start with a capital C. Commercial properties that don't currently allow residential uses would only get residential uses associated with participation in the affordable housing program. Jimmy?

>> Flannigan: I want to make sure that I'm understanding as I read through the code what we're talking about. When I look at the mu and the Ms Zones they both have units by-right and they both define the number of units. I had an earlier conversation with staff and I think you just said it a moment ago that the Ms Zones just look at the scale of the building but I don't even see F.A.R. Noted in an Ms zone. So that's one bullet point. That's kind of like an implementation of this. It makes sense to me that you could add this dash a designation to an Ms zone that would add the base entitlement to be zero units so that your participation in the affordable housing bonus program is how you get anything from one to max units, right?

[1:40:50 PM]

Isn't that how functionally it would work so you could still build -- if you just wanted to be commercial only you had that zoning. You could just build whatever commercial you wanted to the height and southbounds and all the other things. If it had the dash a it would then grant you some greater number than zero of units, all of which must fit under the subzone percentage requirement that's all defined in the affordable housing bonus program.

>> Mayor Adler: I thought the Ms zoning at its base would allow you to have whatever residential zoning was under existing zoning. Because generally we're trying to go to existing zoning. So if I have a piece of property that already has some residential in it, I'm not down zoning it, I'm saying that you get that

amount of zoning, but if you want to get more than that then you do the bonus and you get more residential zoning.

>> Flannigan: I think I'm speaking to the thing that councilmember alter brought up. I think there would be areas mapped just Ms and those are the areas that currently allow residential. And then the areas that are currently just commercial that get mapped Ms would get ms-a.

>> Mayor Adler: Which means if you wanted more residential -- so it wouldn't start at zero. That's where you were losing me.

>> Alter: Those residences don't get the use, the residential -- those buildings, that are property doesn't have the right for a residential use right now. That's the bonus is that you get --

>> Mayor Adler: We're talking about Ms, not mu. So Ms has certain --

>> Alter: The properties we're concerned with in both cases that we're trying to deal with are commercial properties that don't have a right for residential uses. There are multiple ways you can have an affordability bonus on top of that. One way, which is the way that we are talking about and which this phrase addresses is for the commercial properties to be given the right to do residential uses if they satisfy an affordability requirement.

[1:42:51 PM]

That gives them no additional height, no additional anything beyond the zone. It gives them a use bonus.

>> Mayor Adler: That's the mu because you're --

>> Alter: I'm saying that that's what I want to be for Ms right now. There is not a way to require them to participate in the affordability requirement in order to get access to this residential use, which is not an entitlement that they have currently.

>> Mayor Adler: I thought that Ms Zones has a current entitlement for residential use.

>> Alter: Not for all of the properties.

>> Mayor Adler: I thought Ms was being used to substitute to zoning that already had --

>> Most of the time Ms is on a property that already has Ms or mu-a on it. There are some situations where it has been happened mapped that the underlying parcel on today's zoning has no residential entitlements. The way that we would interpret what is written on the board, on the screen today, would be that we would apply a similar system that we used in mu to Ms. That those parcels that don't have residential entitlement today would not have a base entitlement to residential. But through the affordable bonus program they would get residential entitlements.

>> Mayor Adler: And what about an Ms property that already has existing residential, what would happen entitlement, what would happen to that property?

>> So there would have to be a little bit of review because under Ms today the councilmember Flannigan is correct, there are density requirements for certain types of residential, however multi-family residential, which is usually what you find in the five or six or seven story buildings, it's not regulated. In other words, you can put as many units as you want in. If we go down this road of using dash a, we will have to think very hard about whether or not we need to put a base dwelling unit per acre, but this is something that staff can work on and bring a proposal on.

[1:44:58 PM]

If you give directions to mimic or mirror what we did in mu, then we would essentially put a base entitlement and put -- with the affordable bonus program you get more than that. So I think, staff, we can work with staff to figure out the mechanics of that, but if you're in favor of what is written on the screen?

>> Mayor Adler: So the issue is -- so if your general proposition is if the property has whatever its existing entitlements were, if that was the proposition, then a tract right now -- there are some tracts that are zoned Ms that already have residential by right. And the question is are we going to remove -- I know the situations, other situations, but in that situation is it our intent to remove residential by right that already exists. Okay. So the answer to that is no. So it's not just mirroring mu or any residential would require an a.

>> Mayor, when we wrote mu, and I'm not going to quote numbers here because I would have to double-check them. The base entitlements in mu were set to similarly match what V or mu allowed you to have. We've already done the math to figure out what that number would be. To match similarly to what existing entitlements are today. So that's simply -- that's the reason why I was saying mu is we already went through the effort of mu in understanding what was the base entitlement when one had V or mu played to their parcel. So we could simply do the same thing for Ms.

>> Mayor Adler: So that would give them by right the amount of residential they already have but additional residential would only be obtained with a?

>> Correct, correct.

>> Kitchen: But we're just talking about this sentence right now, which is not the scenario that you're talking about. That's a different scenario. So we could do a second sentence for that separate.

[1:47:00 PM]

This scenario is only for commercial properties that currently don't allow residential use.

>> Alter: And what I was pointing out is that it requires the creation of -- it rise a change in the text or it requires -- requires a change in the text or he requires remapping. And I think that is something that we all agree on, so that I was trying to put something that we all had consensus on --

>> Mayor Adler: Good job. I think you found it.

>> Kitchen: Let's do the vote on it.

>> Flannigan: When I read the mu Zones it has this defined. The dash a means you have no base entitlements for dwelling units if you don't comply with affordable housing. If you have a dash a and you do comply with affordable housing, you can still only get the maximum of the base plus the affordable housing. That's under mu. That doesn't seem to be in the Ms. So if you were to -- if you were to go with this, we would apply similar rules to Ms.

>> Flannigan: Beautiful. So I think, councilmember kitchen, I think we were talking about different things. I was talking about the text and the tools and you were talking about the map. So when I'm saying that Ms does or doesn't do a thing, I was talking about the way it's in the text, but not on a specific plot where it has been applied. So I think that's some of the confusions is that we're sometimes talking about two different things. Even if we just copied the a option, the dash a so that it existed both under mu and Ms, then we would have the tools we need to then go fix it in the map. That would reflect the areas that did have current residential entitlement because that's more of a map question than a tool question.

>> Alter: I don't have -- I don't have in front of me all of the little things to follow all the pieces. I wanted to with this item focus in on the case where we were letting them do residential, where they didn't have that right, which was an increase in use. There's a separate question of the other types of affordability bonuses and what those should be in Ms Zones.

[1:49:02 PM]

That is a separate question which we can entertain, but if we're going to try to do boxes, I want to do the boxes. And I'm not -- I'm not sure either of us know where you're going with that so I want to --

>> Flannigan: The whole thing?

>> Alter: For the other part of it I want to understand the next steps of that because I don't have the base of what's allowed in my head well enough to say yes or no on that for the other pieces.

>> Mayor Adler: That question is not before us now. We've limited it to this. For commercial properties that do not currently allow residential uses, they get residential use with an a designation.

>> Kitchen: Which requires participation in the --

>> Mayor Adler: Yeah. They get residential uses with the -- take out would receive. Say with the --

>> Kitchen: Change would to which.

>> Mayor Adler: And an S on require. Which require participation in the affordable housing program. Do we want to say applies to Ms and mu or do we just leave that out? Is it always Ms and mu? Do we want to have Ms and mu at the bottom of that sentence?

>> If one did not list Ms and mu specifically, when consultant staff would also look at this, we would be looking at the regional center Zones so we would be looking at CC, uc and DC zoning and whether or not the existing entitlements have residential or not.

>> Do you want that there? Do we want a to have the requirement in centers?

[1:51:03 PM]

Leslie?

>> Pool:

>> Pool: The introductory phrase says for properties that don't allow residential uses. That sounds like all of them.

>> If you don't include the last part where it says applies to Ms and mu, we would take that to mean you want us to also look at CC, cs and DC.

>> Mayor Adler: From a policy standpoint is that good policy?

>> I think for uc in particular, which is a zone district which has not been mapped yet, but will be mapped, is considered to be used for mapping later, having the dash a would make it consistent across mu, Ms and MC. I think when we get to the Zones that are primarily meant for your downtown and have already kind of had that zoning, I think I'm a little bit less clear about what that does for the downtown can density bonus program.

>> [Inaudible - no mic]. Where those Zones apply inside of the downtown density bonus program. So I'm not going to say that it's bad policy. We just don't know enough about where it would apply and what the implications would be to advise you right now from the dais.

>> Mayor Adler: So I'm comfortable leaving Ms mu and parking the question and asking you to look at the other Zones.

>> One option could be to say for commercial properties outside of the downtown Austin plan. And that way there are situations where you might end up with ic mapped outside of the downtown Austin plan, in which case you might want to require dash a. But we really leave the downtown Austin plan and its density bonus program as a separate conversation. That's not to say that you all as a council can't talk about that program in particular, but I might recommend you add that to this.

>> Mayor Adler: So conversation about the discussion that's in front of us on the board.

[1:53:03 PM]

Ann?

>> Kitchen: We would take off what applies to Ms and mu?

>> Correct.

>> Kitchen: Because you've taken care of the issue that talks about outside the downtown Austin plan.

>> Mayor Adler: Any other discussion on this? Any indications? Leslie?

>> Pool: I would also like for our staff to come back and give us a recalculation of how having this additional affordable housing potential will change the numbers that we were given, the 6600 which was the estimate for additional above the current number that we already get, the additional affordable housing units. Because I have an idea and our goal was to boost that up in light of what our conversation was previously. And I think this is where we get the additional affordable housing that people are asking for.

>> Mayor Adler: Jimmy?

>> Flannigan: That's going to be a difficult analysis until we've applied the dash a in more places. At this point we're creating a dash a tool, but until we map it to more places there's no analysis for the staff to do.

>> That's just what I was going to say. Thank you.

>> Flannigan: I love this as a tool. I think it's a really important tool for this to have and just a question of where we apply it or where we fix areas that have been zoned one way or the other in the map.

>> Mayor Adler: Let's take an occasion on this. Did you want to say something? Let's take an indication on this. Yes? Show indications on this. Ms. Houston is four, Casar five, kitchen five, Pio five, Jimmy five, Alison five, Leslie five, Delia four, me five. Good job!

>> Houston: And I only had a four because the devil is in the details.

[Laughter].

>> That only took three hours.

[1:55:05 PM]

>> Don't take it off, I'm trying to write it down.

>> That took less than 45 minutes.

>> Okay. If you cut the other part.

>> Mayor Adler: It's five until 2:00. Should we break at this point and let the committee start?

>> Flannigan: Let's celebrate agreement.

>> Mayor Adler: We're on a roll. All right. So Ms. Houston, do you think your committee will go until 3:30?

>> Houston: It is my expectation that we will be out by 3:00.

>> Mayor Adler: Perhaps we could come back at 3:00.

>> Alter: Could we leave stuff somewhere? Could we leave it down here?

>> Sure.

>> Kitchen: Can I just ask if whoever put that up to put it back up or email it to me?

>> Mayor Adler: Email it to everybody. Snail it to the universe here. It is 1:55. Council meeting will be in recess until 3:00.

[3:35:36 PM]

>> Mayor Adler: Back to order here. It is 3:36. We have a quorum. We're continuing on where we left off. Did you email something out to everybody? Okay. Okay. Is there a statement we should be taking a 0 to 5 on now, or do we -- or are we moving on to the next topic? We just hit the big one; right?

>> Kitchen: Yeah, the big one. That was a1-3, I think.

>> Mayor Adler: Do we want to do these in order or do we want to ask staff to talk to us about transitions and compatibility and let them give us a kind of a background on that and then see if we can hit that kind of an issue? What's your all's preferences? My question is, you know, if we go through a1-5, we would be hitting statements kind of like maybe affordable bonus housing program should require a proportion, mix of affordable units, additional incentive for multi-bedroom, things like affordable housing bonus should be available on residential house scale Zones, if total development with a bonus doesn't exceed impervious cover, building cover and far and demolition of existing housing stock, those kinds of questions, recognizing there are further budget, legal, and operational -- calibrate fee waivers and prioritize for expedited review to maximize production of affordable units do we want to hit statements like that or do we want to pick up something like having staff orient us on compatibility and transition Zones and see what that kind of discussion looks like? Yes?

[3:38:12 PM]

>> Flannigan: Mayor, I would like to take ten seconds just to note how important I think the last thing we did before we broke was, and it really showed that sometimes we're having a conversation and not talking about the same thing, and councilmember kitchen, I think that -- I realized you were talking about a thing that had been zoned and I was talking about the text of a zone. It made so much more sense why we weren't seeming to talk about the same thing, because we weren't. And I think it's -- it gives me renewed hope that we are doing something good here and that we can actually get to a place where it boils down to those last two or three disagreements which we know are disagreements, but I just wanted to note one more time about how valuable I thought that moment was, how reactually

directed staff to make changes to the text like an actual change. We're not dancing around a thing, worry making a change, this is all really good progress, and I just wanted to note that.

>> Kitchen: And could I note just one thing, not for discussion, but -- Mr. Mayor?

>> Mayor Adler: Yes.

>> Kitchen: I passed this out earlier to everyone, and I just wanted to let everyone know this is on the council message board so y'all can go onto the message board if you have any comments. This is the -- at the end of our conversation about the density bonus and fee in lieu, we decided to ask our staff to come back with some recommendations, and so I don't want to sidetrack our conversation right now but I just want to do make sure everyone

-- wanted to make sure everyone knew that I posted some language to provide some direction to our staff on the recommendations we wanted them to think about and bring back to us. So I just want to do let you guys know this is there, which is what we talked about doing at the end of your discussion.

>> Mayor Adler: Okay. Thank you. John Michael, do you have the stack of questions that are related to the topic that we have?

[3:40:14 PM]

>> Garza: While he's looking for that, and I have question.

>> Mayor Adler: Okay.

>> Garza: I am not finding this process as helpful as, I guess, some others of you think. And so I'm wondering if we're going to discuss where we -- where we are going with this and at what point we are actually going to be voting on things in the code, would be very helpful for me, because I -- I guess my question -- what you just said that statement that we agreed to earlier, are you saying that that was a direction to staff to change everything in the code so it aligns with that? And is that the direction -- so you're going to bring back draft 3 at some -- I mean draft 4 that has every single change, including councilmember kitchen said some Adu agreements. So are we moving towards a draft 4 that has all these changes of these statements that we're making?

>> Mayor Adler: I'm not sure that's a question for them to answer because they're taking direction. But, no, I wouldn't expect them to take what we just did and go do anything bit because we haven't discussed any of the amendments to it or corollaries to it or exceptions to it that may or may not exist. I think that when we get to the end of this process, we'll have a collection of things that we can give to them. But if we make everything a direction from the time we approve it, then the conversation we've had about the caveats or the exceptions to it are meaningless because they then take that and they start executing it.

>> Kitchen: Could I --

>> Mayor Adler: Uh-huh.

>> Kitchen: Okay. I think there's two different things here. What I was referring to is what we agreed to at the end of our conversation, which was not to ask for draft 4 and not to ask for different ladies and language in draft.

[3:42:15 PM]

If you read this, you'll see it's just to ask staff to think about some recommendations for us, for a different way to approach things. And as part of our conversation, the staff let us know that that is something they could think about and bring us back some suggestions. That's not -- that's not putting it in a draft 4, it's just taking what we thought we -- what we, as a group, decided we wanted to see and bring it back to us.

>> Flannigan: Mayor?

>> Mayor Adler: Yes.

>> Flannigan: The part of this that I'm finding valuable is agreement on where the text can improve, which I feel that adding that dash-a as a tool in additional Zones, while it's not literally we're expecting staff to come back within two weeks, blah, blah, blah, clearly we were all -- there was a broad consensus that we want to have that tool available to us. And, again, separate from where the tool is applied, because we are not talking about where the tool is applied, which is more -- a more complicated conversation even from a logistics perspective, it's a more complicated conversation. But as a -- I think we created a tool. We added the dash-a tool into more Zones, which I think is a valuable step forward.

>> Mayor Adler: My sense is that part of the frustration is that I think there's a desire to the council among some councilmembers to get to more specific instructions or gauging of sentiment on specific things as opposed to more theoretical things. And I think we've started moving in that direction, to be able to do that. And whether we did that by trying to get questions off the topic list or we did that by having pull up amendments to the code, we could engage in the same kind of conversation. But my reference would be if we were pulling up anything like that, to have a conversation, that really focused around whether or not we could get to a broad consensus on that issue, even if we were bringing up specific amendments, trying to find that place in a similar kind of process or, for me, I'm not sure I'd be ready to vote on something that yet didn't have that.

[3:44:40 PM]

Ann.

>> Kitchen: I just wanted to ask if our agenda that we're following has us having this conversation at 4:30, if it's okay with people, could we do that? Because we had talked when we said we'd pursue with this agenda that at the end of these two days, we'd talk about our next steps.

>> Mayor Adler: That's true.

>> Kitchen: So if it's okay, I'd rather spend the time right now talking about whatever subject we want to talk about next, and then at 4:30, we can have the conversation that's on the agenda, which is, you know, next steps.

>> Mayor Adler: Okay. Point well taken. We should do that. The question is what do you want to discuss next here, now, in this process. Mayor pro tem?

>> Tovo: May I just mention one quick thing? Councilmember kitchen, thank you for writing this up.

>> Kitchen: Uh-huh.

>> Tovo: I'm not sure if I've missed the opportunity to talk -- if you all talked about this before.

>> Kitchen: No, we're not talking about it.

>> Mayor Adler: No, we just put it on the message board to look at it.

>> Tovo: One thing I did want to point out, you know, I made my preference known that it go to council. I think if it were going to go to a board or commission, though, I would prefer it be the community development commission because that's the group we've tasked with housing issues. And so the planning commission, of course, and zap are engaged in those issues as well. It would be my preference, if it had to go to a board other than council, that it be that one. So I'd like that to be part of the consideration as well.

>> Kitchen: Okay.

>> Mayor Adler: Okay. So back to where we are here on the agenda that we --

>> Alter: Mayor, I need to respond to the clarification of my proposal because --

>> Mayor Adler: Okay.

>> Alter: Thank you. So it's my understanding that we gave direction to go back and find those places where this was not mapped appropriately, which we would then have to adopt into our code when we're voting, but there was direction to connect this up to the map because we had places that we know where this is not in there correctly, and I, as a councilmember, shouldn't have to go and figure out all of those. That is something staff can do and bring back.

[3:46:41 PM]

But, you know, ultimately, whatever we're doing in any of these sessions has to be finally voted on at first reading or at whatever point is appropriate. So I don't want to let go that there's no mapping component because there is a mapping component because, otherwise, what's the good of the thing that we just passed if we're not going to actually say this is where that change would be made in the map. This is not specific to one street kind of thing, but it follows from the policy. But it is not, you know, fully adopted or amended to anything. They're going to have to come back with the language for us in

some format. And I think part of the challenge is, we don't have an understanding of that format or that process.

>> Mayor Adler: Okay. Makes sense to me. I think that makes sense here. I think we're in agreement on that. Anybody disagree with that? Leslie?

>> Pool: And then, further, I asked if staff would look at what the impact would have -- because I think it will increase the amount with the capacity on those corridors, if we're adding residential to corridors in areas where commercial is, that we don't have yet, then that means there's a delta there for new additional affordable housing. And I'm really interested in seeing what this is because that will -- that's a new and hopefully appreciable area where we've just ratcheted up those numbers, that that should make everybody around the dais pleased. I wouldn't understand -- I can't imagine what a downside to that would be at all.

>> Mayor Adler: Okay. So we were at a1-4.

>> Alter: Mayor, you suggested an option of talking about compatibility and transition, and while we have the consultants here, I think it would be useful if these other appropriate consultants for them to walk us through those issues.

[3:48:49 PM]

>> Mayor Adler: Are you okay with that?

>> Mayor, if I may offer.

>> Mayor Adler: Yes.

>> We have lauralie here today to talk about affordability. Next week, I will be in town, I believe Lisa Weis will be in town. We will have consultants who can talk about it next week, but we won't have -- if we want to continue discussions on affordability, we would not have access to lauralie or econorthwest.

>> Mayor Adler: Okay. Let's proceed that way. That's what we told staff we were going to do and that's why lauralie is here.

>> If it's appropriate, I would like to go back to the question councilmember alter had asked about balance between base entitlements, at what point are those will entitlements disincentivizing other entitlements. I don't know that I fully understand how we should be measuring what that looks like.

>> So I can talk about that in sort of general theoretical terms, and in general, the lower you drive down the base, the more value the bonus has. Right? Because you're creating the additional income off of more units, both market rate and affordable, that can help to make the building pencil. So those are some of the equations that we've been trying to balance since we've been looking at creating the Zones, as staff has been looking at putting them on the map and as we've been thinking about how to calibrate it. I'm not sure if that gets to exactly what you're asking.

>> Flannigan: It does. I think that would line up instinctively with, I think, the thought process on it. So I don't want to get into a question where every single one of us is thinking about a specific zone in their own districts, but given the direction or given the general agreements that we need to come to, was there base entitlement intended in broad areas?

[3:50:51 PM]

>> I can let your staff answer that one because I --

>> I think when we mapped Ms, because Ms and the multifamily didn't have a cap for base entitlements, nor does it necessarily have a cap on the number of dwellings here acre on the affordable housing bonus program, there was a shift there in allowing the market to determine the number of units that would be provided within a given mass and size of a building. I think everywhere else we were generally matching entitlements.

>> Flannigan: Oh, this is the conversation we had earlier about the difference in kinds of entitlements, where the unit count entitlement increased but not necessarily the height or setbacks or massing of far or other things. Sounds like there were areas where unit limitations were removed, which you could frame as an entitlement increase, but the heights in building massing, there wasn't intended to be a substantial change in what was allowed under the current code versus what's allowed base.

>> Correct.

>> Right. Where entitlements are find as bulk, height, mass. Yeah.

>> Mayor Adler: Yes. Alison.

>> Alter: I'd like to clarify. You said the lower you drive down the base, the more valuable the bonus?

>> That's true, in general.

>> Alter: So what are the levers that you can use in terms of the base and the entitlements? So we've only been talking about height here, but there are other levers that we have.

>> Like parking, for example, which is also included as an additional incentive in chapter 23e. That's another place where you can make changes that will help to make the incentive more valuable and to change the development feasibility equation. So there are other levers that are also under consideration.

>> Alter: So the changes that we're making with respect to parking, where we're just giving it no-parking, or anything that reduces compatibility, all of that increases the base entitlements and makes the affordable bonus less attractive.

[3:53:06 PM]

>> If what the change is doing is making it less costly to produce the units and the building, it's actually making the overall development feasibility equation more positive, which makes every additional square foot that you build more attractive.

>> Alter: But if your goal was affordability --

>> Reducing the parking would help.

>> Alter: But giving them the parking to get them to do the affordability would be even better.

>> Hypothetically, that's the case. Is that how it's written? Can you speak to how it's actually written?

>> Alter: No, it's not written that way.

>> I think, councilmember, what I would caution is that there are multiple goals that have -- we have all talked about. Imagine Austin lays out. One of them is housing affordable

-- housingaffordability. The other one has to do with transportation and generally anything about the city as multimodal. The caution is always, if you, under the base entitlements, require a higher parking requirement, then you reduce when it one does affordable housing, there are still going to be situations where the base entitlement is what someone builds, you are going to accuracy situations where you are doing things counter to other goals that imagine Austin states, and other goals that the land development code code is trying to address. So I think there's a balance that has to be handled there.

>> There are all those important goals around multimodal access. Parking is a sticky conversation because regardless of what you require, a developer will build the number of parking stalls she believes she needs to build in order to make the units rent. So reducing the parking requirement may or may not actually result in less parking being constructed. I think that's important to keep in mind, both when you're thinking about calibrating an affordability bonus and when you're thinking about what your zoning code says.

>> Alter: So I'm sorry that I brought up parking as one of the examples or you brought that up as the sole example, but thereof changes to the far, to the impervious cover, all of these give additional entitlements and we're giving them away as part of the way this code is constructed, not in line with the affordability.

[3:55:24 PM]

And there is opportunity to get more affordability if you align those. And what I hear from my community is not so much we don't want density, is, we don't want density that's so expensive that it's not affordable. And I am trying to figure out how do you deliver in a way where you have some affordability. And when you give all of the base entitlements away and there's no affordability connected to it, you get density without that. And for me, that is -- is problematic and is a policy question.

>> I think a lot of those questions that you're bringing up, they're important considerations. They achieve other goals, environmental goals, other kinds of goals that are also very important to codenext

and were included in imagine Austin, you a need to make sure that trade-off is in your minds as you're thinking about it. They also may have relatively marginal impact on the development pro Forma, compared to things like the cost of constructing an entire building or changing the set-aside percentage, some of the other levers that are more powerful, they move the needle less. So you may be giving up the other very important public goals in exchange for a relatively small impact on overall affordability. Directionally, you're accurate. What you're saying is true, directionally. But that's not the only question that's in play here.

>> Alter: And I didn't mean to focus on parking. I was more interested in compatibility and some of the other things. And when you increase the impervious cover, that is not for the environment, that's against the environment. And you're increasing entitlements. So I think that's -- you know, there are things that we are giving away as additional things for whatever, other reasons, that do affordability affordability, and we should be cognizant of that.

>> And I think, councilmember, totally understand the talking points you're raising there.

-- I think the other thing, we're primarily focused on the zoning portion of the code, compatibility standards, parking standards.

[3:57:26 PM]

When one looks at other parts of the land development code, we are asking more of developers. We are asking more of them in terms of transportation issues. We are asking more of them in terms of flood mitigation on parcels. And so, again, I think we've heard a lot of conversation about the balancing act, right, that we're -- in the zoning, we're changing some things, actually ratcheting up requirements across the city to deal with other goals the city has, dealing with localized flooding, other flooding, dealing with traffic. I think there is a balance, and I think -- I think this is an opportunity for us to talk about individual, but we need at some point to come become and talk about all those at the same time.

>> Alter: And I think that's -- I'm trying to introduce that conversation so we can have the conversation, but there are, you know, things that we're moving, increase entitlements, you do get increased entitlements if you relax compatibility, and, you know, there are other ways to be thinking about that and there are different things that we may be wanting to balance. But that's part of the conversation we need to be having.

>> Mayor, while we're on this topic, I wanted to remind council of the affordability impact statement that we submitted, as you think about tradeoffs meeting other goals versus meeting keeping housing costs down, that document could provide some guidance in terms of how to structure what parts of the code you look at. And we can resend that out, but I think it was a memo to you. Yeah, we can resend it.

>> Mayor Adler: Jimmy, then the mayor pro tem.

>> Flannigan: So I want to -- when I look at codenext and I look at certainly areas of my district, I'm sure we all start looking at areas of our own districts, I'm not seeing a lot of increased entitlements. I'm not seeing a lot of changes.

[3:59:27 PM]

So is there somewhere else I should be looking to see the problem you're -- you're talking about, so that I can better understand the frustration?

>> Alter: Well, there's a lot of height on the corridors that you couldn't otherwise build. I don't have the maps memorized, but if you go back to mcmansion issues and questions of F.A.R., even the planning commission said you should go down on the F.A.R. There, I mean the mcmansion where you don't provide definitions for attics and garages and patios and other kinds of things ends up getting you bigger houses than you are entitled to now without any attention to being smaller or more affordable. That's not part of the bonus, but that's in other areas. There's changes in impervious cover and other things.

>> Mayor Adler: Would you speak to that?

>> Alter: About sizes changing? Lot sizes is one where you can subdivide and other things.

>> Mayor Adler: The question from Jimmy where is the additional entitlements coming from and councilmember alter explained that under this code there is more height happening on corridors, there's relaxation of MC mansion standards so that you can get greater massing. Would you speak to those?

>> So along the corridors, and I think we'll have a whole series of slides prepared for next week and hopefully send them out before the meeting so we can talk about compatibility and the heights. Along the corridors, in a broad sense there are locations where you can get more height than the the compatibility today. With the affordable housing housing bonus program, you can get up to 85 feet within 100 feet. But if you are not participating in the bonus program you get a height of 60 feet, 15 feet more than what you could get essentially today under compatibility.

[4:01:36 PM]

I will provide graphics next time and more information on that. This is something PC debated a lot. They had a lot of discussion on that. They also, as councilmember alter mentioned, talked a lot about mcmansion and kind of the -- the standards and commissioner Kenny proposed what he called the anti-mcmansion ordinance. And he proposed changing the F.A.R. Calculations to actually lower it from .4 to .3. And then he had a whole series of additional things where -- so that would be for a single-family house. But if you provided a duplex, you got .4 F.A.R. If you provided a try plex -- with each unit. His goal was two-fold. One was to say there's a concern in the city of Austin about large houses being built and that we're not addressing our housing needs. By dropping to .3, you still allow a single-family house and still a significantly good sized house. But it would further incentivize the potential of producing more housing on parcels that provided a duplex or a try plex, essentially houses that provided more than one unit.

-- Tri-plex. That's the basic summary. There's a lot of details PC went through in terms of that motion.

>> Mayor Adler: Does draft 3 relax the mcmansion standards?

>> So draft 3 did propose changing the way that the F.A.R. Calculation was done. Today under mcmansion -- and I'm going to ask Greg to answer more about the calculation of F.A.R. And the draft 3.

>> So it included parking over a certain square footages included in mcmansions, basically exempted out. The attics, which is extremely difficult for staff to calculate, architects to work with and the staff to explain and public to understand, that was -- that exemption was removed.

[4:03:46 PM]

I think there was another exemption that was changed. How we measured height is different. It's actually simpler to measure height, I think in addition the planning commission voted, I want to say, close to being unanimous, about removing articulation. So how a building side is presented to its neighbors and taking out maybe indentations to the building.

>> Mayor Adler: What would be the policy reason of increasing the massing of mcmansion houses?

>> It wasn't so much increasing massing because the height and generally the impervious cover, building coverage, all those standards remain the same. It was to ease on how you calculate it. The intention was not necessarily to balloon the size of buildings as much as it was to simplify it so it's easier understood, easily applied and for everyone whether it's the owner or a neighbor, staff or a designer.

>> Mayor Adler: So with an intent to make it simpler, did we increase the massing?

>> Not as far -- increase the size of the building, yes. I think it may have gone up slightly, but not necessarily how it's presented on the lot. You can't get any more height than what you could before. You couldn't necessarily get more units. You couldn't necessarily have more impervious cover or amount of building coverage on a site, all that remained the same. You might be able to occupy an attic that you weren't able to before. You might be able to have more garage square footage than you had previously, but not to exceed the limits that were already established.

>> Mayor Adler: I'm sorry, mayor pro tem.

>> Tovo: I just wanted to point out the point out the side wall provisions in draft 3 some of those were pretty important and -- important features of the mcmansion when people were concerned about mcmansion, part of the concern was the way it interfaced and interacted with the properties next to it and I can probably give you a half dozen examples of properties pre-mcmansion in Bouldin creek and other neighborhoods that were built and it has a significant impact on the properties around it and their light and, you know, all kinds of other things.

[4:06:24 PM]

These are -- I appreciate councilmember alter you raising these because these are increases in entitlement and they do yield larger buildings. And there was not -- you know, in some of these we're talking about the policy rationale in this case, the policy rationale seems to me was to make it -- this was part of making it easier for those that are building. There was not a significant affordability issue or other things you are talking about, it was about ease of review, ease of building. Just to underscore. Were you answering that question? Because I had some questions.

>> Yeah, so I think, mayor pro tem, many of the features of mcmansion, especially in draft 3, were brought back to -- draft 2 proposed some different versions of the mcmansion standards. Draft 3 brought it more in alignment with current mcmansions. So in terms of sidewalks, that's still required. If you are within 1 foot -- sorry, if your wall is taller than 15 feet and you are within nine feet, that's existing mcmansion standards. The standards are more prescriptive than mcmansion in terms of what that stepping back has to be. I believe under mcmansion today all you need for articulation is a four-foot-wide recess in the building and we actually proposed it should be more significant and ten feet in length and four feet in depth so it's a more significant articulation is required. I think in one side we loosened the way F.A.R. Is calculated to make it easier for everyone to calculate and it wasn't always a contention of was it calculated correctly. On the other side, we made it -- we added more standards on being more prescriptive about getting that articulation. And the other thing that Greg mentioned a little bit was the height, that we are limiting the height of a side wall to 22 feet in height.

[4:08:27 PM]

Where the existing mcmansion ordinance, you can build a 28-foot-tall side wall if you are far enough back from your property line. So I think we tried to balance kind of the form of the building with also -- with that change in the way the F.A.R. Was calculated in terms of the amount that could be built. Again, I think PC in particular had lots of conversations about adjusting all of those. So both the articulation, I think they might have removed articulation actually. They recommended removing it. The one thing that I would caution is we are very much in the discussions about compatibility right now. And I think we were trying to talk about [inaudible]. I would be more than happy to have this conversation, but we are lauralei for --

>> Tovo: My two questions are -- because we were talking about mcmansion I wanted to jump in on that. I think I heard you say that there are certain measures that move the needle considerably when talking about afford built and certain measures that don't move the needle as much. I wanted to be sure I was understanding you correctly. The conversation was about, I think councilmember alter had mentioned compatibility and parking and some other shifts with the new code. Were you responding to that, were you saying those are not measures that move the needle considerably on afford built issues, parking requirements for the reason you stated that developers may choose to do them anyway because lots of people do drive. Compatibility, was that a response to that list of things? Are those things that do not move the needle as much with regard to affordability?

>> We might have to take them one by one because etch is a little different.

>> Tovo: That would be helpful.

>> The answer to these questions is situational because every development is unique and has its own set of circumstances even related to the size of the site.

[4:10:31 PM]

Parking, parking can be an important needle mover if we're going to use that language, and we do actually have written into the affordability chapter the ability for an applicant who is providing income-restricted units to request a reduction in parking if that is helpful. That is included in chapter 23. That it moves the needle less than expected because parking is something that is a necessary component of most developments. So the option is there and it's up to the developer whether or not they want to take that option. I would be reluctant to get too far into the compatibility requirement, but I'll stick with the statement that the base is probably more important than the bonus amount when you are thinking about sort of the -- what levers have the most value. The bonus amount, and that's really what we're talking about when we're talking about compatibility, are we allowing further relaxation of compatibility as part of the bonus. A developer will take whatever portion of the bonus it makes sense in order to make the building pencil. Aen the compatibility may not -- depending where you are and physically where the site is located and how your financing is coming together. So I would say the base is the more important part there. And what were the other examples that you have questions --

>> Tovo: For you to pause a minute on compatibility. We're getting a range of responses to the code and I am nearly certain I've gotten some emails suggesting that compatibility is one of the reasons, you know, is really preventing housing from being more affordable. And so it sounds to me as if our compatibility standards are really not -- I mean tweaking our compatibility standards are not going to be -- potentially not even going to be big drivers in reducing cost of housing if that were our main objective.

[4:12:36 PM]

>> I think -- well, you go first.

>> Councilmember, I think it's -- I think in the internal work that was done and some of the work that was done in analyzing the code, on shallow lots the changes in terms of compatibility, shallow, less than 200 feet, but most definitely on lots less than 150 feet, the changes in compatibility are not necessarily releasing a large amount of housing and/or affordable housing just because those lots are very challenging to redevelop. I think the compatibility changes made in the coat on lots deeper than 200 feet and particularly when they start to get to 400 feet, I mean they do kind of -- I should clarify, sorry. Between 200 feet and approximately 300 feet, like there is a big -- there is more ability now to provide housing on those properties, and with the affordable housing bonus on top of that the ability to get more housing. When you get to a parcel that's 1,000 feet deep, the changes in compatibility, compared to the overall they are not as significant. It starts -- the lot depth.

>> Tovo: We'll talk more about that.

>> It's very situational.

>> Tovo: Yeah. And then I guess my other question for you that is definitely related to the affordable housing is the change in calculation, and I know we've talked about this throughout the process, but the change in calculation from -- from what we currently have right now, which is for vertical mixed use, calculating the bonus based on the total square footage, not just the bonus area shifting to draft 3 continues as I read it to have the calculation based on the delta from existing entitlements. And so many, many people have weighed in and not the best way to calculate because we do -- you know, we have higher opportunities to get those units with our current vertical mixed use than we may with the new based on that change in calculation.

[4:14:51 PM]

If you would address that and just flag this as an area for my colleagues I think we should address.

>> So the mu right now requires 10% of your total units to be affordable. And that has worked 37 sites since adoption, but we can't compare to the affordable housing bonus in draft 3 in an apples to apples type way. Vmu is applied to long corridors and this affordable housing bonus program is proposed to apply to dozens of Zones across the city. And based on our current analysis of the bonuses that are offered in draft 3, and I can let lauralei speak more about this but requirement of 10% of total units doesn't look like it's going to pen till sill -- pencil in all those Zones at this time. If we see strong uptake in the program in a year, two years, three years, because we have embedded this ability to con statistically reevaluate and recalibrate we can be able to increase that based on market analysis where we see that perhaps it's set too low and we're getting really strong participation in the program. And I'll note that around 2600 lots have the ability to utilize vmu zoning in the city right now. And I said earlier we've had 37 projects, so that's about one percent of those lots taking advantage of the program. If you look at building permit data from 2011 on, I think about 700 lots have actually had any building permits being pulled, so that's only 5% of those lots that have had any work done on them that have utilized vmu. That could be for a lot of reasons, size, for general developer decision making, property owner decision making that has nothing to do with the program.

[4:17:01 PM]

They could have built nonresidential. But it also could be because perhaps that 10% total unit requirement works really well in some places but not very well in other places.

>> Tovo: So that's a lot to unpack there. I guess I would -- it was my understanding, and I have to look at the data, but the vmu wasn't necessarily being used in its early years of adoption after the council voted it in because, you know, in part we were in a downturn of housing development. And so I'm not sure that we can assess the success of V vmu based on how many units produced in that time, but the fact

we have 37 sites and the last time I looked quite a few units that have been produced and quite a few affordable units that have been produced would signal a pretty successful program that we should give more time to -- so I continue to be concerned and I'm not sure -- I'm not sure I yet understand why the shift in calculation. I think what I heard you saying is that you wanted a standard consistent -- unit a consistent affordable housing program and while it works well on corridors, it may not be as appropriate for those other areas. If we could just talk about the corridors. I mean would it not -- I guess why wouldn't that still be the appropriate way to calculate an affordable housing bonus for the corridors, the total square footage, not the delta?

>> Total versus bonus.

>> Tovo: Right.

>> For the affordable housing bonus program, unless you are in a dash a zone where -- subzone, which we talked about before our break, where all of your residential entitlements are bonus. If you are not in one of those Zones, then your requirement would be a percentage of your bonus units, and I think that lauralie can talk about the pros and cons of using bonus units.

[4:19:04 PM]

But at the end of the day what probably is the big question is regardless of whether it's percent of bonus or percent of total, I think the goal would be to get more units or as many units as possible. And so that's what I -- what I was alluding to when I was saying that we're -- utilizing the program in a lot of different Zones. So whether we use percent of bonus or percent of total, we're going to try to calibrate that program so we can get as many units as possible given all these diverse Zones and the bonuses associated with each. The rationale behind applying the percentage to the bonus as opposed to the entire building is multi-filled. One of the rationales is we are trying to build an entire bonus program that can be calibrated to the market overtime and be geographically specific and built into the affordable housing bonus program and is different from vmu, which is a straight 10% everything that it applies. So that's a step in the right direction in terms of making something that's more market responsive, more attractive to developers and more likely to have an uptake. The rationale behind applying the percentage to the bonus area only is that it allows the developer the option to take only a portion of the bonus and not have it apply to -- have the affordability requirement apply to the entire building. There's a pragmatic and practical reason for that. To address this question of making sure that we get as many units as possible out would be adopting in the affordable housing bonus program chapter is a series of percent set asides which range at the low end from 5% all the way up to 50%. Of the bonus units required to be affordable. Those units can be anywhere in the building, but the math is based on the amount of the bonus that's actually built.

[4:21:06 PM]

And if you are going all the way up to 50%, that's a situation where it might be very similar to the number of units required by vmu and where you might see that you are getting sort of maximum uptake in terms of total number of units. However, vmu would lose the opportunity to get the one or two units that might have come out of 5% or 10% when we're calibrating it very carefully geographically across the city. That's the rationale behind it. We want to make sure we give developers the flexibility to use the program in the way that's going to produce the most number of affordable units possible with the fewest down sides because remember it's a voluntary program and if it's not attractive, they won't do it. That was the way we went about doing it. And the question is really about what's the denominator. The total number of units may end up being quite a bit more out of the affordable housing bonus program because it's more carefully calibrated to the zone and to the specific geography where applied. I hope that's helpful.

>> Tovo: I guess have you taken any of the 37 projects and just run them -- looked at them under what they would have yielded with the new -- with the proposed to see if it would have yielded more or fewer units?

>> That's a good question.

>> Tovo: I think I would be interesting in seeing that.

>> If we knew what the inputs for the market would have been at the time that the unit was financed, that the building was financed, right? Because we're using today's rents and construction costs and et cetera which are different from what those particular projects would have been financed under. So if we had that rearview mirror, which we may, I'd have to check with staff to understand what data are available, we could run that analysis and that would be interesting to see.

>> Tovo: I think that would be helpful. This is one of the points people have talked about throughout that a concern that in shifting we may actually be -- we might have been better off with vmu. So it sounds as if you've -- certainly your intent was to create a system where we get more units.

[4:23:07 PM]

>> That's our goal.

>> Tovo: Than our existing code. So it would be -- I would want to see those tests just to be able to make sure --

>> Vmu is a little bit of a sledgehammer when you need a much more precision surgery tool. And what we're trying to build through the affordable housing bonus program is a tool that can be more precisely calibrated over time as markets change and to the geography.

>> Mayor Adler: Alison.

>> Alter: Thank you. I wanted to still try to understand kind of the relationship between the buy right mapping of entitlements that we have and whether -- and the density bonus program incentives to go along with that. Can the consultants share what kind of balance you think we've reached in terms of

mapping those buy right entitlements vis-a-vis using our affordable density bonus? If that makes sense. I'm trying to understand at what point -- like at what point do you have too much buy right that it starts to impact the affordable housing, and part of the reason I'm asking is there's a lot of people asking for more and more housing in certain areas and I'm trying to understand how all of this interacts to impact what affordable housing actually gets built.

>> Uh-huh.

>> Alter: And there are multiple steps to this.

>> I'll clean up. Go.

>> Councilmember, I think -- particularly when we think of the vote that you all took before we went on break, generally speaking -- or in particular now with the direction you've given us, the base entitlements essentially reflect existing entitlements that a property owner has today. So to go any lower would be talking about reducing entitlements that a property owner currently has, which we generally would not recommend.

[4:25:11 PM]

So in that case, with that as a starting point, work to figure out given the parameters of how big the building can get, given whether or not they are allowed a height bonus or F.A.R. Bonus, what kind of bonus in terms of number of units would get you to a point where developers might choose to take advantage of the affordable bonus program. And I think maybe I'll leave it there. So I think when we did the calibration of what is the base in particular like mu districts versus what is the ability to get additional units, that was taken very closely -- looked at very closely. You've given us direction to look at the same thing in Ms so we'll look at that.

>> There were a lot of conversations about this at planning commission about the potential for increasing the allowed -- the allowed number of units or height, depending on which zone you are in, for the density bonus. And for the most part the planning commission opted to keep the base where it is, but to increase the bonus. And from my perspective just thinking about it in terms of managing a program over time, the worst case scenario with increasing that height or allowed bonus is that the developer wouldn't take all of it and you would still get some uptake. Just for your consideration as you are contemplating the bonus, I feel the base as John as many others have said today, the basis was set with careful consideration to the equivalency map and what is on the ground today. And the bonus goes up above that. We thought a lot about construction typology and what is likely to work in the market when we set that and tried to calibrate it as carefully as we could with that in mind. And the math that we did was to determine the set aside percentage, how many units would have to be affordable.

[4:27:12 PM]

And I think there's a robust conversation we had about how high to go with the bonus.

>> Alter: So I think I may be conflating this so let me try and restate my question. I'm now trying to ask questions about if I were to increase entitlements in the single-family Zones and what might be the transition Zones, how that unpacks the uptake of the affordable density bonus on the corridors.

>> Do you want to take the transition Zones?

>> Alter: If I increased the supply nearby.

>> Okay, so --

>> Alter: Does that impact the willingness to do the affordable housing benefit news on the corridors.

>> Your question -- let me make sure I'm understanding your question. Say it again.

>> Alter: If there's people that want to go into the neighborhoods and add a lot more density, and I'm trying to understand is there a relationship between adding that density along the corridors and the uptake of the affordable housing.

>> I don't see --

>> Alter: Because it's going to affect the prices and other --

>> The overall supply and the overall supply and demand when you are in the midst of a housing crisis, more supply is what you want. Whether it's market rate or affordable.

>> Alter: But my question is about the uptake for the affordable. I don't want have this -- I'm asking about the affordable housing bonus and it being used by the developers.

>> Yeah. I'm not seeing a relationship between those two things. If you are trying to -- if you are suggesting that allowing an affordable audubon news in a single-family zone will mean that you will have fewer affordable units built on corridors, those are very different unit typologies with different markets and different sort of finance equations, and I would think that you would want to have both.

[4:29:18 PM]

>> Alter: I'm talking about density that are the four-applications and eight-applications and all the -- plexes and other things. To the corridors, if we have one.

>> Right, I don't see that that would result in there being fewer higher density buildings built along the corridor necessarily. We need to look at that --

>> Alter: But I'm looking at the connection between the affordable density bonus. That's what I think we're --

>> I think I'm understanding that. I don't know, maybe there are others who have an opinion about that, but I think they are very different kinds of units, different sizes. They would be constructed or not constructed based on a very different set of variables, and there is a large demand for affordable units

of all types, and an important goal in imagine Austin and as part of the codenext process to provide a wide range of housing choices.

>> Alter: I'm not sure if I'm communicating exactly what I'm getting at and I will think about how to rephrase it to think about it before I pass on the microphone, I wanted to respond to Mr. Flannigan from before. Reza does have a map, it's hard for me to read it, that has increases and decreases of height and there are places where you have increase of height and there's also some places where it looks like there ardecreases, but they didn't always take into consideration -- exactly what they took into consideration for that I can't tell you their assumptions, but it is one place to look where that increase in height happened.

>> Mayor Adler: Delia, then Ann.

>> I just want to be clear my responses to your questions are not meant to be a statement about density or any of the other policy goals. I'm purely thinking about it from the perspective of the affordable housing bonus program. I'm not intending to influence the conversation whether or not you should have transition Zones, just trying to unpack the relationship for affordable units when they be built as a triplex or quad versus an apartment.

[4:31:28 PM]

I'm not seeing that relationship. I think there's enough demand for affordable housing we could see all of that constructed.

>> Alter: I was asking about the incentive to build the affordable units.

>> Yeah, that's going to be parcel by parcel, developer buoy developer.

>> Alter: I understand, but there is a relationship between the supply in the area and the ability and the willingness to build the affordable --

[multiple voices]

>> Contemplating while going through the process of determining whether or not to build.

>> Mayor Adler: Delia.

>> Garza: I didn't know that was the direction councilmember alter was going in, but it's very related to that same direction in that -- and I don't know if this is -- if you are the affordable housing consultant, I don't know if this dynamic market force is -- I think it is your area of expertise. There is -- there's tools that can create affordable housing and then there's tools that preserve affordable housing. And for me, and I know there's an ideological difference on council about supply and I couldn't have asked for a better statement than what you just said about supply, and I understand there's ideological difference and it's 4:30 and we're supposed to be talking about other things right now. But can you speak to without -- I don't know, putting you in a tough spot, but you are the -- you know, expert, consultants. If, for example, somebody buy right right now can build 100 units somewhere, but we allow them the ability to now build 200 units, but no density bonus part of that. For me that means that's 100 additional

units of -- or families, current long-time residents that aren't displaced because now people have those units to move into, and regardless of what our -- what our opinion is on growth, it's coming, it's coming, people are coming, the demographer cited, people are coming, people are coming, and there's consistently a why are we planning for the new people.

[4:33:45 PM]

For me it's because we have to, otherwise we're planning for displacement of the people that have been here a long time. So I know that's a big, large lift at 4:30 and we're supposed to be talking about something else, but if we're going to have this broad discussion about affordable housing, I think it's important that it's not just about density bonuses and not just about how we're creating it, but it has to also be about how we're preserving it.

>> Mayor Adler: Okay. Ann?

>> Kitchen: I think -- were you asking a question?

>> Garza: I was asking could you comment on that? Could you comment --

>> You are putting me in a tough spot. For a minute I thought I was going to get away with it.

[Laughter] I think the point that --

>> Garza: I guess beyond why you are asking -- your professional opinion on that. I don't know why that should put you in a tough spot.

>> There's -- I think economists are close to unanimous. You will always find outliers and I'm sure you have read research, but economists are close in their statement adding more housing to a market that is growing is important for everybody in the market.

>> Garza: That's market rate, any housing, right?

>> Right. And that includes, that includes affordable housing and a recognition that affordable housing that is income restricted is almost always going to have either some sort of subsidy or some sort of policy lever like a density bonus included in order to make sure that it is produced. So you need all, all housing of all types. You need more market rate and you need more affordable housing. I think your blueprint recognizes that as well and recognizes that zoning is only one among many tools that you might be able to use to incent creation and bond funding and other types of funding to support production of affordable housing but that all in strategy is the right way to go if you are trying to serve housing needs of an entire community, the entire income spectrum.

[4:36:04 PM]

>> Garza: So when we talk about giving entitlements away, while it can be framed in a way that you're getting nothing for it, you are just building a bunch of million dollar condos, it can also be framed in a way as you are allowing more housing and that could decrease displacement. Is that a proper statement?

>> That's the policy tradeoff that I think you all need to be grappling with and are grappling with, and I heard that on the planning commission as well. That keeping the base low means that in some circumstances what will happen is that you will only get the base zoning. There will be developers who will choose not to take the bonus because it's a voluntary program. No matter how perfectly calibrated, even if more attractive, there may be cases that happens and that's a tradeoff that should be considered.

>> Garza: Thanks.

>> I hope that that --

>> Kitchen: I have a the look of questions. I'm going to do one follow-up question on this, but then I want to go back to the density bonus program because I have a question about that. But first, in the context of additional housing is important, I would think that -- that more focused kinds of tools are also important -- of tools are also important to avoid just ending up building million dollar houses, actually that doesn't even apply. We're talking about \$5 million houses. In some of our central neighborhoods, when we end up with really large houses and mcmansions and things like that, they are not 1 million-dollar houses. They are, you know, 3, 4, 5, 6, 7, 8-month-old houses and that -- million dollar houses. I don't want to put out the spot. I'm just trying to say that in the context of additional housing supply is important, which I agree with, I absolutely agree with that, I think it's important to that we're understanding where and how and what is being built for affordability, and I think you hit on that because we talked about the density bonus program, ads making it affordable and other kinds of things.

[4:38:34 PM]

I don't know if you have a comment on that.

>> I thinker agreeing with me so I love you.

>> Kitchen: But what I'm doing is taking it down a level which I think you might agree with which is that if we just say we're going to build -- we're going to build more units and we don't pay attention to the details about how we incent the types of buildings and the types of housing and where, then -- in other words, you talked in terms of housing choices. So if our housing choice range is like this and we only have a code that takes care of this, then we're not going to have the full range. And the this includes understanding where it's going and understanding things like the density bonus program, things like the incentives we've talked about with mcmansions to incent smaller, relatively more affordable than big, expensive. So anyway, I guess what I'm saying is that I think you would agree we need to look at the full range of tools that we have.

>> And I think that the pallet of Zones included in draft 3 includes a wide range of housing types. And that that creates the opportunity to do what I think you're talking about which is not zone only for 5 million-dollar homes.

>> Kitchen: Right.

>> Across the entire city.

>> Kitchen: Because that's not going to keep people in town. Let me turn to my question. So when you are talking about the calibration of the set asides, the table that you were showing, I think part of the conversation I want to follow up on what mayor pro tem was asking about, part of the conversation and part of the question is did we get it right? In other words, did we get the percentages that we're talking about at that right balance for the market and so that, you know, developers will take -- and can take advantage of that bonus?

[4:40:39 PM]

So it strikes me that the potential -- that the -- that what's built into -- to provide for recalibration is what helps us there. If we -- if we find that with the best analysis, you know, possible now, that it's not playing out, we can recalibrate. Is that what I'm understanding the -- so I want to drill down a little bit on what's contemplated for the ability to review and recalibrate. I'm understanding that's an annual basis, but here's what I wanted to ask. Can you really do that? Because does that mean if we're going in to recalibrate, are we changing what someone thinks they are entitled to, and because of the life -- life line of projects, that changing them every year, or what -- you know, what are we changing? Are we just changing stuff that's not in the -- do you understand what I'm saying? There's a immaterial tooing issue and there's a timing issue and then I have a question about whether people have certain expectations. So if we find that we have set the bar here, but that's too low and we want to raise it, can we really change it because people's expectation is here? And if we do change it to here, when does it take effect in practice? Does that make sense?

>> Yes, I think so. So what draft 3 would allow us to do is evaluate and provide recommendations annually to city council to adjust the fees for housing, the fees for nonresidential bonus projects, or the required set aside of affordable units. Based on the information that we've been able to collect over the course of the year on projects that have taken advantage of the bonus program or not, in addition to lots of other data from the market, like development costs, rents, sale prices and the like.

[4:42:44 PM]

And we've been working with eco northwest to figure out what kind of tool we would build to help sustain this program and recalibrate and update, and we're working on sort of a proforma based tool that I think also that review group could be really helpful in providing information to us on the projects that they've been looking at over the course of the year. And then, of course, data sources that we're

already looking at like co-star as we try to figure out how to track market rate affordable units. So I think pulling in all those different pieces will help us be able to at the end of a year look at this program and see if it needs to be updated and in what direction, and then come to council with those recommendations.

>> Kitchen: Yeah, I'm just trying to

>> Kitchen: I'm just trying to understand what the impact of that is. If we change is, how long is that before that kicks in?

>> I guess from a policy standpoint, we could bring it to you and then change the policy and sort of that typical ordinance timeline from a market perspective. I'd like to have Lorelei comment on --

>> Kitchen: That's what I'm trying to understand. I'm also trying to understand, I don't know if we're creating some kind of -- I guess we're not creating some kind of buy-right entitlement by setting the program at a particular level. Okay. So we don't have to worry about that. So it would just be a question of if a project was already in the pipeline. Right? Is that what we'd be talking about?

>> Yeah.

>> [Off mic]

>> Right. Yeah. At the point that -- I guess it would be at the point of permanence being issued, then it would stick with that -- whatever the requirement is at that point, that would -- that would be what that building would be required to do.

>> Mayor Adler: Which pointer?

>> Kitchen: At which point?

>> At the point of permit.

[4:44:45 PM]

What we have said in other areas of code is that your fee is the fee that is in effect when you submit your site plan, so I think that the same could apply.

>> Kitchen: Okay.

>> We could -- I need to double-check what this says, but if it's not explicit, we could make it explicit.

>> But that's an important question because developers just abhor uncertainty. That there are not going to be changes to them is really important, and we're not blind to that fact. And there's no change to -- anything in the zoning code does not change as a result of the calibration, if that makes sense.

>> Kitchen: I'm just curious if there's been any comment on the calibration about when it kicks in and any concern raised about that. Has there been, to y'all's --

>> I don't think so.

>> Kitchen: I have two questions, really. I want to make sure that that really does give us the ability, you know, practically it does give us the ability in a timely manner to make a change, and then I want to know if there's been any concerns about that approach. And the reason, because, in my mind, the importance of getting it at exactly the right spot is -- I mean, it is important but it's not as critical if we have the ability -- if we really have the ability to adjust it, from a practical standpoint.

>> Right.

>> What about safety? You're trying to build houses --

>> Mayor Adler: No, no I'm sorry, we have to stay up here on the dais. Do you have anything else?

>> Kitchen: No, I don't think they've answered my question so --

>> I'll have to look to you to know what kind of comments you've been getting from developers you've been talking with, but I personally haven't heard --

>> I haven't heard any comments related to this specific issue, no. I think people are optimistic about the fact that we'll be able to reassess this program every year.

[4:46:54 PM]

I mean, because the market does change, and I think what we've heard from our existing programs is that we're not updating them as frequently as the market is changing.

>> Kitchen: Okay. Uh-huh.

>> So the ability to do this in the code -- the code actually gives us the ability to do this evaluation. I think -- I've heard good feedback on.

>> Kitchen: Okay.

>> Mayor Adler: Greg.

>> Casar: So I have two sets of comments. One is just in response to the last -- generally my thought in the last half hour of conversation is that I hope and think we can get to a place that we're creating way more affordable housing unit capacity than in draft 3 and more market rate unit capacity and we don't have to be choosing so much between one and the other, knowing there is a relationship in the density bonus program. But my second and more substantive comment is that processwise, for our next meetings, I've just had trouble figuring out how to have this conversation because we've gone through so many topics just in one round of councilmembers speaking. We hit mcmansion and antimcmansion, transition Zones, how those relate to density bonus programs, smaller lots, housing bonus in calibration. I think that's natural and fine because the consultants are here who we want to answer those questions, but it's hard to have the conversation amongst ourselves when we don't know which of these it is we're specifically drilling in on. And I would be -- I think I and others we could more easily ask questions of the staffer consultants between here and the meetings if we know which ones it is we're going to cover. And so for me, I just think that the dash-a conversation was so much more --

>> [Off mic]

>> Casar: It was so much more on a specific issue that had specific language so we knew where we were all going to be discussing that issue. And here, when we're moving, it just feels like more of a moving target, it's just hard for me to feel like I know how to engage or whatever it is that we're working on, when there's so many topics.

[4:48:58 PM]

So we just have to find some way of letting folks know as early as we can specifically which question it is we're going to be working on because it's just -- it is just challenging for me.

>> Kitchen: I'm --

>> Mayor Adler: I understand that. And we had identified affordability at a high level. I don't know what the specific questions are under them. I handed out something that I just have pulled --

>> Casar: I hear that I guess what I'm saying is I would like for us to pick one and try to moderate ourselves to sticking to whichever one it is and to getting to answers or to language we're doing fist to five to or whatever, for one thing. I don't know which one of my staff to ask for questions. It just seems on -- we frequently are on five or six questions related to affordability.

>> Mayor Adler: If there's underlying premise with respect to calibration and how that relates, and that's going to apply to each of these different areas. So I don't know how to get -- I mean, there are some topics, and it may be next week if we could have them talk about compatibility and transition Zones, but calibration is important. Having a conversation about what incentives to offer or not to offer, how we layer them in, the mayor pro tem's question about hearing the community, we want to do 10% of bonus or 10% of the whole building, I don't know how you answer that question other than you do whatever it is that calibrates. And --

>> Casar: I hear you and I think that's a good conversation to have. I just want us to stick to that particular question forever one time and mark when we're moving on because it's just -- I can't have the conversation on the bonus versus the whole building because we've moved on in three other ways. And that's okay because everybody is interested in their own thing. But I just would like for us to find some way to stick to -- to more particular topics. I'm just expressing that because I -- I don't know if other people feel that way or whatever, but it's just hard for me --

[4:51:01 PM]

>> Mayor Adler: There are more questions about calibration that would apply to each one of those areas that are general questions, I think, and so I would ask that question. I understand what you're saying, and I -- the practical nature of getting to that, and it may be that we just call up specific stuff, but I still have really general questions about calibration. So I hear that. And then we can pull up and I think that's

one of the things we'll be talking about here in a second in terms of how we proceed and how specific are other questions that we ask. I understand -- I just don't know what the resolution -- Ora, do you want to say something?

>> Houston: Well, I did, but I think -- I do. I have a question. I'm not an economist, but what I need you to explain to me again, how a building -- how the supply and demand thing that you just said, where you can build a whole lot of supply, and it's a million dollars, and it doesn't displace people and it makes housing more affordable. Could you explain --

>> I don't think I said that I hope I didn't say that. Yeah, I mean, if you're building exclusively million-dollar homes, that would be problematic. I think the point I was trying to make --

>> Houston: Hold on, let me explain it a little better then. It's not that everybody is building million-dollar homes but building homes that are more expensive, 350, 450, 500,000, I do have a couple of million-dollar homes, but they're in the five to seven hundred-thousand-dollar range because that's what the market will bear. So when you tell me we need to build more houses, to me, if I were a builder, I would be building more of those kinds of houses rather than the kinds of houses that we talk about as missing middle housing. So help me understand that the more we build, the less displacement we will experience and the more affordability we will get.

>> I want to be very --

>> Houston: And let me tell you one more thing. I really appreciate the comments because they're making more sense -- the one we did before lunch, because of the information that you gave us, I was able to get comfortable with whatever that was.

[4:53:09 PM]

I don't even remember, my head is about to explode. But you know right before lunch, because of something you said about the -- hotdog --

>> Hotdogs?

>> Houston: Anyway, whatever it was, you made sense because if you all had been here earlier in our lives, we might not be at this point now where we could ask you directly, where did you come up with these matrix and where did you -- what levels were you pushing when you made the suggestion in draft 3. So now you can answer that.

>> Okay.

>> Houston: But thank you for being here.

>> I'm happy to be here and I hope I can be helpful. I -- supply is an important part of any kind of an affordable housing strategy, but it's really important that you have zoning that allows supply of all different kinds of housing. And I think that's what draft 3 is trying to accomplish. It's not just \$5,700,000 single homes, but you're creating housing choices and adding new supply that can match more types of income strata. That's what I meant to say. I did not mean to say -- and if you heard that, I apologize, I did

not mean to say that if you just build the same kind of housing everywhere and let the market do whatever it wants, the solution is magically going to appear and everyone will get to stay exactly where they want and they'll have housing. That is not -- that is not the case.

>> Houston: But when the land cost is so extraordinary in parts of our city, then that also controls what you can build.

>> Yeah. Which is why you can never have an affordable housing strategy that doesn't include a full range of tools and funding to help to support affordable housing development so that you can hit some of those price points that are at the lower end of the spectrum that the market won't be providing.

>> Mayor Adler: Through subsidies or other things.

>> Excuse me?

>> Mayor Adler: Through subsidies or other things.

>> Correct. Or regulatory tools to the extent that you have access to regulatory tools.

[4:55:13 PM]

>> Mayor Adler: If only the state gave us those. Leslie.

>> Pool: So back to the conversation about mcmansions and large houses, how do we -- where do we have assistance in draft 3 to keep the large homes from being built? We had a conversation yesterday about size of Adu -- I guess maybe it was last week, size of ads, and some was on the panel were talking about trying to limit the size of them so they could continue to be affordable. So if the Adu is as big as the house, it's not going to be affordable. So same thing with the mcmansion. With the relaxation recommendations that were coming through the planning commission, my concern is that those will spring up again and we really did institute some controls to try to both keep them -- it was a faint at compatibility, and it sounds like the recommendations that you have in draft 3 go further, but then you say they were rolled back or recommended to be loosened by the planning commission. I wouldn't want to support that because I don't want to do anything that would incentivize making the houses any bigger.

>> And the planning commission also, in one of their recommendations, was actually lowering the far for single-family homes, all the way down to .3. I think that was one of their recommendations. But looking at -- making it easier to build an Adu, I think that helps, and then that one provision that we had that if you were to build an Adu, yes, you may have a slightly more far to build that Adu, but you'd be preserving and the landmark commission and I think planning commission both spoke to conserving, I think they changed the word to conserve that single-family home in the front, or it could be in the back.

[4:57:20 PM]

We allow a lot more flexibility when we were building the Adu. But my point is that there are provisions that we try to preserve that single-family home on the property, whether it's in the front or the back, by allowing the flexibility to build an Adu and not necessarily tear down the house and build one large house, but perhaps build a smaller Adu on the property to preserve that house that's there.

>> Pool: And we talked about proportionality, or maybe I did. Wasn't there some kind of proportionality piece? John, you were talking about this, and then it -- and then did it go back to just 650 square feet versus 700, or did you have a .15 ratio with the size of the existing home on the lot?

>> So -- I'll correct councilmember. The current ordinance that you all passed or some of you passed in 2015 had both limit in terms of the total size but also had a 0.15 far limitation. In the process of draft 3, we removed -- yes -- we removed the 0.15 far and just kept it as a number, so I think it was -- off the top of my head, I don't remember the numbers. 750, 975, and 1100, I think are the numbers, but they might be slightly different. So we moved away from the proportional part where it was 0.15 calculation.

>> Pool: Okay. Thanks. Mr. Mayor.

>> Mayor Adler: So just to note something, as I go around the city and I'm in lots of different places in the city and people are talking about affordability, the issue of calibration and how you calibrate is critically important. As I go into rooms and people ask the question, it goes 5% should be affordable. Why don't you make it 10% or 20%?

[4:59:22 PM]

And certainly the more percent we could make, the more we'd like to do. Or I go into some rooms and they say rather than have it at 80% of mean family income, you should get down to 30% of mean family income. Or I'll go into some rooms and people will say rather than one bedroom, you should make it so that it's two and three bedrooms so that it's -- so that it's family accountable. And all those things are goals that we should have, and it seems to me, and I'm just trying to check, that at some level, when you're figuring out how to calibrate, there's a certain amount of affordability you can buy in any given product -- project. And you can either buy lots more units, but then you can't go as deep mean family income, or you can have lots more bedrooms, but then you have fewer units. And that -- it doesn't help to just decide the thing that I want to move without having the conversation about how that calibrates. So the calibration question seems to be critically important. How deep we can go, how many rooms we could get. But it also means to me that wouldn't it be true then, that in any given project, if there was a certain amount of affordability I could buy, within some lens, the developer would be ambivalent about what you did? Could say lower fm, mfi and fewer units, or more units and higher mfi. Is that a decision that the code can let our staff make or some other body make so that in certain parts of town where we want to have more bedrooms, we could get it, or if we wanted to go deeper mfi we could get it, recognizing it would mean less units. Does that kind of flexibility ever exist?

[5:01:24 PM]

>> We felt like based on all of the density bonus programs that we currently administer, what the community would really want to see and have some consistency around was the median family income levels, rent levels that the units would have to be affordable to. So that is in the code at 80% median family income for electricity-sale units and 60% for rental units. But you're absolutely correct, and I'm sure Lorelei could speak more about this. If you lower that mfi level, you would be able to purchase, cross-subsidize, fewer units than if you could with a higher mfi level. We also have an incentive and a requirement in the program related to family-friendly units or units with two or more bedrooms so the requirement is a proportionate bedroom mix requirement where my affordable units you'd have to provide would have to match the unit mixes, the bedroom mixes of your market rate units so that in a project that is building two- and three-bedroom units, we wouldn't only receive efficiencies as the affordable units. The incentive is -- I guess you could call it almost like a two for one type incentive where if you owed two units and they would be one-bedrooms, you could provide a two-bedroom unit instead. We haven't built in flexibility to negotiate for a lower mfi level and fewer units. We have heard that consistency is something that participants in the program would really value, and I think a lot of community members and advocates really value in terms of knowing what a developer has to provide. But I think if council wanted to allow for a more flexible program in terms of numbers of units or mfi levels, that we could do that, but right now, it's 60 and 80.

[5:03:37 PM]

>> Mayor Adler: Okay.

>> At -- at those percentages Lorelei talked about.

>> I just want to add, when you have someone -- consistency is very important in making sure you're doing with your code what it's appropriate to do is really important, but once you've got a developer on the hook and they're in the door, if you do have other resources and you want to try to supplement that and drive down lower affordability, you have that opportunity. They're there, you're talking to them.

>> Mayor Adler: You can augment other subsidies or other incentives on top of that.

>> Correct. And I have seen other codes where they -- there's sort of a base level requirement, but then there are additional incentives if you want to go to a lower affordability level.

>> Mayor Adler: Or more bedrooms, more -- whatever.

>> Right. But keeping it simple and consistent, making it clear what you can do through the code, but then capitalizing on the opportunity when you're working with the developer to try to get what makes the most sense in that site, given the other resources that may be available, that you shouldn't overlook that as an opportunity.

>> Mayor Adler: And then the last question I have is with respect to the experience we've had in this city with the vmu, it's worked really well in 37 locations, 5% of them have been able to get affordable units. It hasn't been taken advantage of on the other 95% of units.

>> Right.

>> Mayor Adler: And mayor pro tem said it would be good to look at the 37 units to see why it was that it worked in those cases, which makes sense at some level. It would also make similar sense to take a look at some of the other 95% to see why vmu didn't make sense for somebody to pick up because I think what you said is right, that ultimately what we're striving for is to get the greatest number of affordable units built, and that's what we're trying to calibrate to. Is there a percentage that if we're calibrated correctly, you would expect to see or want to see an uptick?

[5:05:39 PM]

>> Expect to versus want to are two totally different answers. Right? We would want to see 100% uptick and that would be the goal but that's not realistic. I think it's possible that we could go and look at other cities that have incentive-based programs, like yours would be, and see what uptick has looked like, to give you some sort of ballpark understanding of that. But off the top of my head, I don't -- I don't know.

>> Mayor Adler: And that goes back to Ann's question. If we're meeting every year and we're trying to decide whether or not the system we have is working --

>> Yeah.

>> Mayor Adler: -- And we look at all the tracts that were eligible -- that developed and were eligible to do the affordability, and we're going to get a certain percentage of them that did, I imagine, and certain percentage that didn't, how do we know if it's working? What should be our kind of goal for participation or uptick for us to think that we have calibrated it correctly, would just be a question.

>> Okay.

>> Mayor Adler: Anything else on this, Ann? Before we talk about what happens next?

>> Kitchen: Well, one quick question vmu. I'm just checking my understanding. So vmu is going away; is that right? Actually, vmu was -- certain properties were zoned for vmu. Just help me understand and make -- double-check my understanding of what is happening to that zoning.

>> So if a property has already developed under vmu, then we would continue to hold them to the requirements in their restrictive covenant and monitor them the way that we monitor them now.

>> Kitchen: Okay.

>> But you're correct in that the V in a zoning string that we currently have is not one of the zoning districts that is proposed in draft 3.

>> Kitchen: Okay. So if a property was -- you know, the community went through -- or the city went through some kind of designation process to determine which properties were vmu, you know, a number of years back, so that -- those properties or areas that at that time were designated as vmu, how was that translated this time?

[5:07:57 PM]

>> So many of those properties have been now designated as a mixed use district.

>> Kitchen: Okay. So did we --

>> Well they could be Ms as well, but along the major corridors you're probably going to see mixed use.

>> Kitchen: I don't know enough about the intricacies so I may not be asking the right question, but -- so does this get back to the -- so if they were designated vmu before but they didn't take advantage of that program, does that mean that some of those properties would have been commercial only and would have been rezoned as mu, so would they have gotten an entitlement when they didn't actually take advantage of it?

>> No, if they had a V or mu in their zoning string currently, then they did have some amount of residential entitlement already.

>> Kitchen: Used. That they'd used.

>> No. They hadn't necessarily built residential or mixed use building. It could have just been a commercial building, but their zoning would have allowed them by right to build some amount of residential.

>> And they could have retail on the first floor and offices above. They weren't required, necessarily, to build residential.

>> Kitchen: And how does that relate to their requirements for affordability then?

>> Depending on what their zoning was, sometimes perhaps they were cs-mu, for example. They could build commercial or --

>> Kitchen: No, I'm talking about the ones that were designated with the V.

>> Oh, uh-huh.

>> Kitchen: So if they were designated with a V, they hadn't used the V, but the V would have given them -- vmu would have given them certain requirements around -- around affordability, would those requirements around affordability have kicked in if they had gone -- if they had done residential? Is it the same kind of thing, or is it only --

>> Only if they had opted into vmu and done all of the things related to, like, site design and other requirements.

[5:10:05 PM]

>> Kitchen: Okay.

>> Sometimes, depending on, you know, if it was csv or grv, then they could build a small amount of residential by right without any of the affordability requirement.

>> Kitchen: Yeah. I'm just trying to get at -- and I'll have to think through it whether or not we created an entitlement there. In other words, they didn't -- whether we created an entitlement by how we zoned them now, and because we've zoned them now -- we created an entitlement so they're not in the category -- am I making any sense? They're not in the category of commercial never having residential.

>> I can provide an example. So as Lorelei was saying, if there were parcels that might have been lo or cs-v, so they had the V --

>> Kitchen: Right.

>> Those in draft 3 sometimes were mapped mu, and I'm particularly going to mu because the mu says multifamily gets a base entitlement of -- don't quote me on the number, but 36 offer 54 dwellings per acre because that was the equivalent of what mu or V allowed in today's code. So we carried forward their existing residential entitlements. But then we also had on top of that the bonus. So if they chose to participate in the bonus, they could -- they would get more entitlements. So draft 3 kept their residential entitlements.

>> Kitchen: But with the -- the way the V program worked before, did they really have an entitlement?

>> They did.

>> Kitchen: But they -- but they had an entitlement tied to doing --

>> They had a base entitlement on residential units and then they had, in addition to that, if they participated in the bonus program, additional --

>> Kitchen: Okay. All right. So it wasn't -- under the vmu program, it wasn't like we just established that we were going to tie the access to residential to having to participate in affordability, but the vmu program did not do that, so when we -- okay.

[5:12:12 PM]

So we didn't lose --

>> And I think maybe the way to explain it for mu, as proposed in draft 3, is, mu without the dossier is very similar in the entitlements as vmu today.

>> Kitchen: I know. I just wanted --

>> And the dash-a takes it a step further and says you don't get any residential entitlements, which is different than vmu.

>> Kitchen: I just want to do make sure we hadn't -- in that translation that we hadn't lost a connection between the residential and the requirement to participate in affordable housing. But it sounds like the vmu did not do that. Am I -- are you shaking your head yes, mayor pro tem?

>> Tovo: Yeah. And I appreciate you walking through that, though, because I think that's really important to go through. And, in fact, I think you said, too, you could access -- you could access the vmu benefits but not create housing, as I recall. Could you? No, you couldn't, but you could have vmu and not have it be a mixed use building. You could just -- if you don't access the --

>> And I think --

>> Tovo: The bonus, you could just have a purely commercial property on there, even though it was an mu.

>> And if you wanted to take advantage and do the residential, there was a big incentive to do that because --

>> Tovo: Right.

>> -- You got a lot more units, there was an affordability component that came into play.

>> I think that that's a point that I'd like to highlight, is with vmu, the bonus is so very attractive that 10% of the total units was -- of the total units was a great deal for at least 37 properties. So how big the delta is, how big the bonus is is important, and we -- eco northwest, I know, was trying to channel our department's objective to get as attractive of a bonus as possible to get as many units as possible, but they were balancing that against a lot of other community goals.

[5:14:13 PM]

Environmental, neighborhood character, and the like. So I think that's the -- what was produced from that balancing act was the bonuses that are in draft 3.

>> Kitchen: I have one other question.

>> Mayor Adler: Go ahead.

>> Kitchen: I just want to signal that I have this question. You can tell me if it's appropriate now or not. To go along with what others were asking, I do want to flag that 1a-7 on our agenda, which relates to the S.M.A.R.T. Housing program --

>> Mayor Adler: Uh-huh.

>> Kitchen: -- I do have a specific -- specific idea for how that might be changed or question about how that might be changed. So I just want to flag that. That's why I'm going to want to --

>> Mayor Adler: Okay.

>> Kitchen: -- Either bring up now or come back to.

>> Mayor Adler: Come back to we'll post this on the message board and see where people want to go.

>> Kitchen: Okay.

>> Mayor Adler: Real quick, Leslie asked the question about where have we captured, what it was that we've done over the last three or four days. We'll post this for people to work with, and then we'll be working with the clerk's office, but it looks like we agreed that there was some consensus on focusing new dense or mixed use development -- sorry -- achieving our housing goals on transportation corridors, and activity centers, rather the core of existing single-family neighborhoods, if there seemed to be consensus over adus being allowed in more areas across Austin, recognizing the city does not have the authority to override deed restrictions related to homeowners' ability to build ads, the maximum size of ads set by lot size in three different categories, looking at the ranges that were suggested by codenext, draft 3, in the zap recommendation, a range between that's numbers that Adu should be made more feasible in single-family Zones, residential house scale districts, r4, that council should consider and strive to significantly increase the capacity of affordable housing units building on draft 3.

[5:16:20 PM]

One of the goals of codenext should be to allow an overall housing capacity that allows us to reach the strategic housing blueprint and imagine Austin goals of the 300 -- 135,000 housing units built in the city over the next ten years, in order to address housing needs. Housing goals should be achieved equitably throughout the city. Today I think we saw a consensus on expanding affordable housing requirements to some of the Ms zoned properties, expanding the housing requirements. And we also bookmarked several items, I think, that we narrowed, and then sought to save. My sense is, is that if we're going to have the experts next week to really talk to us at a high level, add then getting into detail on compatibility and the transition, and I think consistent with what Ms. Houston said, it might be good to have the experts walks through that and help us put in context what we're seeing in draft 3 and what we're seeing with the planning commission. That would be a more general kind of thing. But if we were going to consider in this process, I think we need to get more specific to Greg's point and Delia's point, on specific things that could be specific, they could either be couched in terms of an amendment or couched in terms of a specific issue to see if we can start knocking them off. Otherwise, we could do some other process people want to do. Ann? Then Leslie.

>> Kitchen: I was just wondering what you were reading from because I think it's missing one or two things.

>> Mayor Adler: Easily could be, but post this so people can add to it and the clerk can look at it.

>> Kitchen: Well, I think we need a source of truth on it because all of us are keeping notes. I think now that the clerk is talking about keeping a running list that we should have her list be the source of truth, and instead of all of us posting what we thought we did, if that's acceptable with her, if she can do that on a regular basis.

[5:18:23 PM]

>> Mayor Adler: Okay. So we will turn this list over to you. Other people can turn over their list to you, and if you could post your best assessment of what we decided, that would be helpful. Leslie?

>> Pool: There's an amendment to the list that the city clerk has from what you were saying, mayor. You credited Delia and Greg for the topics piece or maybe it was Delia and Jimmy, but actually that should also include the mayor pro tem and others, Alison and I who have been calling for us to do more specific, get into the depth of the conversation and topics from the very first day we sat down.

>> Mayor Adler: I didn't mean to not -- to deny anybody any credit.

>> Pool: I just want to do make the point that we've been trying to get there for three days.

>> Mayor Adler: Okay.

>> Pool: And I appreciate Jimmy and Delia coming and saying the same thing as well, which I think helped us get there.

>> Mayor Adler: Good.

>> Pool: And Greg too. Yeah. So it looks like there were probably six of us that wanted to do that and possibly more. So thanks.

>> Mayor Adler: Ora?

>> Houston: So, mayor, it's important if we -- am I on?

>> Mayor Adler: Yes.

>> Houston: It's important that we continue talking about this and refining it as we go from big to little, but there are also parts of the code that we need to talk about. I mean, there are parts that were just dropped in at the last minute that have not really had public review. The signed chapter is one of those. There's some concerns about the transportation chapter. And so we can't just deal with the zoning, although that's important, because there are other things that intersect with the way things are zoned, and when will we get to that in the short time that we have?

>> Mayor Adler: I agree with you, that we need to talk about the non-zoning chapters as well. I agree. And we can start setting those on calendars too, to take a look at.

[5:20:24 PM]

I think what would be most helpful, if possible, would be to have people daylight the specific questions that they would like to have council either couched as an amendment or couched as a statement that we want to try and get consensus on or to float out as a discussion item.

>> Houston: Can we get -- I would like to have a conversation on it rather than we legislate. When we do an amendment, we always start with legislation rather than trying to understand, is this something that did get public transparency, public review, or was this something that only staff and legal put together, and so maybe we can just say we need to take that out and deal with that in a different manner, rather than having it stay on this course that we're on.

>> Mayor Adler: I didn't mean us to get confused. I was just suggesting that we daylight the issue that we want -- that people want the council to work through. There would be two different groups of those. There would be the things that are really hard questions that we think there's going to be difficulty reaching a consensus on. It's also possible that people might have a really specific changes that they think, as Alison had this morning, something that she anticipated we would be able to get to if we went on. What we have now is a list of topics. The topics didn't really get us to questions. I've handed out something that has in red questions that follow from the topics order. We certainly don't have to use those. It's just a suggestion of the kinds of questions that rise from the topics. But before now -- and I guess the next time we're meeting to discuss this is -- what was the next date we had? The 21st? I think what would be appropriate would be if people put onto the bulletin board things that they wanted us to -- to talk about and see if we could reach agreements on.

[5:22:30 PM]

Mayor pro tem.

>> Tovo: I guess I have a couple questions. I see that there are questions on here, are these the same questions that were on the document that we got -- so is there a new set of questions about the topics?

>> Mayor Adler: These -- we had topics -- these are new.

>> Tovo: Okay.

>> Mayor Adler: And this is a level down, trying to respond to some of the questions on the dais that said what are the specific questions that relate to the elements that are in the code that give -- that are -- that follow from the topics and the questions. So it's just an attempt to try to drill down to a more specific level, more specific questions. Because there seemed to be some interest in doing that.

>> Tovo: I guess I'll think through what it's not really clear to me, and I think this sort of echoes councilmember Casar's comments. It's a little hard to know how to prepare. And I think I'm -- at this point, I'm not inclined to post on the message board because we've done that, and then we do something different in the session, and then there are new drafts of the -- I think -- but I'll follow the suggestion that we come prepared maybe with specific amendments to talk about and specific other kinds of things to talk about and go from there. I do think -- I think -- I think it was productive for us to talk about Ms and mu-a and some of those other specific topics today, and so that's, as I think about preparing for next week, that's where I'll focus my energy on those kinds of specifics.

>> Mayor Adler: Ann -- no, Alison next.

>> Alter: So first I want to echo councilmember Houston that there are other topics, and I understand this was simply from the topics that the four of us had posted up there, plus another one, and I understand that this is a subset from that. But I am eager for us to have some conversations about the open space and parkland and there's a whole bunch of stuff that we haven't gotten to.

[5:24:33 PM]

This is a hard topic, and it's -- I think we're all struggling to get our heads around this procedurally and I don't envy the mayor having to try to lead this discussion. I think these conversations were productive. I'd like to see if we could be more productive because we need to be more productive, and I'm wondering if, you know, trying the chapter-by-chapter might make sense, or, you know, we could each have a designated time when we get to bring our topic that we think is the one that really needs to happen. I don't think we're ready for amendments on next Thursday. I'm not even sure what that would mean. You know, we haven't had a conversation as a group about what we think the base motion should be. And some of those things I think need to happen. So I would throw out that we, you know, have a conversation about the base and that we put our topics or we do by chapter or we each get a turn setting a topic or something. Maybe chapter is easiest. I don't know which order you go in. There's no easy answer to this process. It's a 1500-page document that has changed at least three times or four times, depending on how you count. But I think we do need to be able to know what we're talking about on a given day so that we can be prepared and, you know, move on.

>> Mayor Adler: Ann.

>> Kitchen: I have a suggestion. We have an agenda, and that's -- rather than -- my suggestion would be that we use that agenda to change rather than starting from scratch -- not agenda, I'm sorry, the list of topics that we use to guide as we started going through those.

[5:26:42 PM]

And we did go through those, one after another. This afternoon we got a little broader, but for the most part, we went through those, but we didn't get very far. And that topic list was put together based on the topics that a number of folks put -- so we can put that topic list back on the message board, people can look at it again and see if that's the order in which they'd like to go. It's got -- the next thing it has up on it, it relates to transition Zones and compatibility, as well as there was a desire to get into permitting issues and testing issues. So that's all laid out. So I think that we -- I personally would like some more clarity in what we're doing. So for me, what that means is, we've got a document that we've been working off of. Let's use it for whatever changes we want to make. So let's look at it and decide whether that's the order in which we want to take these topics. The other thing that I would suggest is, what seems -- what I have found to be most useful in the way that we're going through these topics is, when people have suggested specific wording, that we have done our zero to five on. So the kinds of things that councilmember Flannigan has pointed to as useful and others have have been where we have said,

okay, this is the specific, you know, statement we want to make. So, for example, the ms-mu we did earlier today, the statements we made around tying -- you know, tying the affordability program to increased entitlements and a number of other things like that. So to the extent that people are interested, we can bring those -- that kind of -- we can bring that to get a -- to get a feel from the group.

[5:28:48 PM]

So, mayor pro tem, I think you did that with one thing that you brought up the other day with regard to the fee in lieu and whether that should be administrative or not. You brought a specific statement that you wanted feedback on, and we worked through that and reached some consensus on that. To me, that is concrete and it makes sense and I don't really care whether it's a really high level statement or it's something more specific. And I think that that -- that might be productive for people to bring those kinds of things or post them on the message board ahead of time.

>> Mayor Adler: Delia, is your light up to speak?

>> Garza: Yeah. I just -- I still don't think that this has been -- I'm sorry to those who feel otherwise, that this has been productive, and I think the majority of the comments that were just said were that -- agree with that general statement, that there needs -- we need to come up with another system. And, again, I agree with councilmember alter. I don't envy you, mayor, because I know this is incredibly hard. But I think we need to try something different because this is not efficient for us or our staff or city staff. And last thing I'll say, if we're going to advocate for this broad conversation, I would ask that we not inflate other colleagues' comments, when I previously asked the question about preserving and creating the follow-up -- the follow-up statements were that I was just talking about one thing when that's clearly not what I said. I wasn't talking about one thing, and, in fact, our consultants said -- and it was a good response -- you need both. I agree, we need both, preserving and creating. So I'd ask that we not inflate each other's comments to mean more than they are and that we try to come up with the more efficient process.

[5:30:52 PM]

>> Mayor Adler: How about if we do this on the 26th. How about if we ask the consultants to talk to us about compatibility and transitions just because we know that's a really tough issue --

>> 21st you mean.

>> Mayor Adler: 21st and get that background and see where that leads us on that and what if everybody on the dais posts one question that they would like to have the council discuss on the 26th, we're going to get a range of different types of questions. We have everybody a chance to daylight something they really want to see daylighted and it might serve questions that will be most productive. We can take those questions and put them where they would be on the outline. But my sense is that at

this point, people really want to be able to ask a question that they think is relevant and we should try to see what that looks like. That's what I would propose.

>> Kitchen: I don't know what you mean. I don't know what you mean by "Question." Do you mean --

>> Mayor Adler: Something that we would try to get a zero to five vote on.

>> Kitchen: Okay. So a statement that we would want to get a zero to five on, not a question for the consultant.

>> Mayor Adler: Correct. A statement that we would try to get a zero to five on. Mayor pro tem.

>> Tovo: Well, I was -- I had my light on after councilmember alter proposed a different path, and I wanted to support that. I think it would be good to try going chapter by chapter and using that as the basis for determining where we have -- where we have agreement and where we don't have agreement. I think when we dove into the details today, we -- it was useful. And I think that would drive us to the details of what we -- what we've got in front of us that we're being asked to make decisions on. So that would be -- I would support trying that. And sense -- since we've tried this I think it would be a good -- I think it would be useful to try a different approach.

[5:32:52 PM]

The posting of the questions and -- still sounds to me very general, like we're talking about pretty general things again, and I think it would also be easier for us to prepare if we're looking at sections of the code together.

>> Mayor Adler: Jimmy.

>> Flannigan: So I want to agree with councilmember Garza. I found one moment to be valuable. The rest of it was a little spinning of wheels, and I've -- as I stated in the beginning, I choose optimism in this process. I think -- my inclination is to go chapter by chapter, but the zoning chapter is the thing we've been talking about, and we're not getting to the other ones. The other ones are single things, whereas the zoning chapter where is all the things intersect. Sort of thing a moment to talk about the parkland chapter, the transportation chapter, the rules and procedures chapter, those are more kind of bite-sized areas that deserve at least a little moment of has anybody got an issue with this, or what are your concerns with that, and then we might be able to find the areas of -- use positive language -- find areas of agreement which we think will be fairly broad and we'll see, vis-a-vis, this is where the procedures document there's debate, there is the parkland document, there's debate, and at the end of the day, zoning where is we're going to be having most of our -- our detailed conversations both in the tools and the way that they're applied. But I would find it valuable to look at the non-zoning chapters by chapter. It's just a natural organization.

>> Mayor Adler: Further discussion? Yes. Ann.

>> Kitchen: I have a question. And I'm certainly open to another approach, but I'm not understanding what's being proposed. So, you know, maybe -- maybe we need to use the message board to lay that

out, and that's fine. So are we -- so councilmember Garza, I'd like to know what you would find to be productive because --

[5:34:59 PM]

>> Garza: Sure.

>> Kitchen: I'm very interested in participating in whatever the group feels is productive, but I don't understand what's being proposed that would be different. Are we talking about amendments to language? Is that what we're proposing? Or -- and that's fine if that's what we're talking about, but I want to understand exactly what we're talking about or I don't know -- I don't know what we're doing.

>> Garza: I would prefer amendments to language, but I don't know if anybody else is there. I would respect the concerns that others aren't there, either, but then I would be happy with the chapter by chapter. I think that gives more structure to what we're talking about and actually makes us feel like we're actually --

>> Kitchen: Okay.

>> Garza: -- Working towards something, not just having these broad statements.

>> Kitchen: But chapter by chapter what does that mean? Does that mean taking chapter by chapter and working on language or chapter by chapter, as councilmember Flannigan -- I don't know if I heard you right -- is that chapter by chapter saying we like this language, we don't like this language and we want to amend it or is it chapter by chapter talking about the subject matter that is discussed in that chapter? That's what I'm trying to understand.

>> I'm fine with any of that that I think any of that would be better than what we're doing now.

>> Kitchen: So you'd rather do chapter by chapter than topic by topic is what I'm hearing.

>> Garza: Yes.

>> Kitchen: Okay.

>> Mayor Adler: Does anybody want to have the consultants come back next week and talk to us about compatibility and transition Zones? Or no? Jimmy? Then Leslie.

>> Flannigan: Are they coming anyway? Like are the travel plans booked, what is I'm saying. There's logistics about this.

>> Logistically, I can -- my flights are easy to cancel and change. My hotel can be cancelled and changed. The more notice you give me, the better. So I am currently scheduled to be here next week, but if you choose to go on to talk about other chapters, I will probably be watching the video feed. But I can essentially change that trip to be the following week, which I believe you all are scheduled to meet on the 27th?

[5:37:02 PM]

>> Mayor Adler: 21st, 26th, and 27th.

>> So I would be available on the 27th but not the 26th.

>> Mayor Adler: Okay.

>> For that matter, I'm willing to jump into the harder topics first, compatibility and there's something -- pretty passionate debate to be expected on that, which is great. We've got to get to the passionate debate at some point. I don't know whether that makes a substantive difference if we take one first or the other, as long as we do both, and we're doing them intentionally.

>> Mayor Adler: Okay. Leslie?

>> Pool: I was just wondering, I know it's -- it costs the city, I guess, to fly you guys in. Is that right? Well, with us being so good with our electronic communications and stuff, why couldn't we do some of this remotely? If we needed to pitch a question toward John or Peter or any of their team, we could do that -- we could do that electronically. I'm trying to save them from having to come in, us maybe not using them to their fullest and highest use. The last couple of days we've really only pitched a couple of questions their way. And I'm starting to feel a little bit concerned about -- about the fiscal side of it all. Maybe it's too late for that. But I'd just like to offer that up as maybe there's another way to get their good input without them having to come to Austin.

>> Councilmember, I think there are definitely topics in which I think some of the consulting team would not necessarily need to be in town. I would offer up that when you get to compatibility and transition, I should probably be in the room.

>> Pool: And I don't disagree with that and thanks for fine-tuning that, so you agree that there wouldn't necessarily be a need for you to come

[5:39:10 PM]

>> It's going to take a full day. So if the anticipation is that the 21st is a half day, perhaps that's an opportunity to talk about a different chapter. And, again, just from terms of the efficiency of us as a consultant team, if you're expected to be able to use a full day, then we would -- that's definitely much more efficient than having us be available for half day and half day. I will tell you that when I haven't been in this meeting, I've been doing other work, so it's not always on the city of Austin's dime in terms of my time here, so...

>> Mayor Adler: What's the 21st intended as a half day? I think it's blocked out a full day on mine, I think. Yes, it's a full day. So the question is what do we want to do on the 21st. Alison.

>> Alter: I don't have the chapters memorized, but it's compatibility and transition --

>> So compatibility and transition, they're all -- that's all 23 -- specifically, 23-4d, but it's all within 23-4. Zoning.

>> Alter: So I would propose that we work on 23.4 and we do -- I mean, I've been asking to do compatibility and transition since we started this, so I think that's an issue that we have to confront and that we have to grapple with and it's the one -- it's one that's animating the community and they need to understand where we're at and what choices we do have, and I don't know if that is amendments or what, but I want to definitely make sure I've heard from the consultants on all of that. And I'd like to better understand where some of my colleagues are coming from. I think there are -- there is value in hearing the different perspectives, and I also welcome the opportunity to be able to explain myself because I find that we are pigeon-holed into positions and they're not necessarily where we are on things, and the only way to get around that is to actually talk through the issues collectively.

[5:41:29 PM]

>> Mayor Adler: Greg?

>> Casar: So I want to maybe restate what I said earlier, maybe more clearly now that it's not as on the spot. Whether we're going chapter by chapter or topic by topic or whatever we're doing, the more we can stick to -- if we're going chapter by chapter but we can all talk about any part of the chapter we want, then I think I will still have the same frustration and many of us may still have the same frustration unless we're able to zero in and moderate ourselves in such a way that we're talking about as close to one topic at a time as we can, and then agree on when we're moving on to another topic. Because otherwise, we may just wind up with similar -- or I may wind up, speaking just for myself, with a similar feeling of not being able to engage directly.

>> Mayor Adler: Okay. What do we talk about on Thursday? Are people okay with talking about compatibility and -- 23.4, we'll start off with compatibility and transitions. And we'll try to focus the conversation there and see how far we can move on that. Does that sound okay?

>> Pool: And there would be one other topic I'd like to put in that list and that comes from the question that the mayor pro tem put up on behalf of the three additional councilmembers, me and Alison and/ora, and that's the process going forward. I think it got lumped into some other procedural things, but if we go back and look at the mayor pro tem's posting, there's a piece in there on -- it's kind of logistical.

>> Kitchen: It's on the topic list. You're talking about the testing?

>> Pool: It includes the prototype testing. That's the additional piece I'd like to propose.

>> Mayor Adler: We've tried to capture those questions in Roman numeral X on that. If we've missed things on that, then -- but I think that the intent was to capture what you all had put together in Roman numeral X, with some other things that other people had said if we're going to be discussing that, they'd also like to hit on that other related issue.

[5:43:37 PM]

So ignore the red questions because that wasn't from you all, that was just trying to flush out more specific questions under those. So ignore those and look at the earlier draft, because Roman numeral X I think was the attempt to try to capture that.

>> Kitchen: Mr. Mayor, I want to be clear, I did not participate in putting together the red --

>> Mayor Adler: No. We have John Michael to thank for that. It's what I asked him to do. Just to give us some examples of specific questions.

>> Kitchen: I don't want confusion because it's not my language.

>> Mayor Adler: Got it. It was just a place to start. All right. So that's what we're going to do. Then on Thursday, we'll see you back again in Austin. It is 5:45, and this meeting is adjourned.