

Housing and Planning Committee Meeting Transcript – 8/14/2018

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>> Casar: Well, good afternoon, everyone. I'm Greg Casar, chair of the housing and planning committee. I'm joined here by our vice-chair councilmember alter and by councilmember Renteria. I think councilmember Flannigan will be here in a moment. He's not here yet. And by councilmember kitchen who is now an official member of the committee. Some people complained for awhile that we were suppressing south Austin's vote by keeping her as an ex-officio member and me being from north Austin created more suspicion. [Laughter]. So now we're going to let her vote. So four of us are present. Councilmember Flannigan is on his way. We're in the boards and commissions room. It's 1-10 and I call this meeting to order. Is there a motion to approve the minute from last meeting? Motion by councilmember kitchen, second by councilmember Renteria. Any opposed? We will pass the minutes from the last meeting. Our next item is citizens communication to take speakers who are speaking on items not on the agenda. Our online system isn't work right now, so if you want to speak on an item not on the agenda, just come to the chairs upfront and we'll give you some time. Hi, commissioner. State your name for the record. >> My name is Lisa [indiscernible], I'm here on the north Austin community development commission. We were unrepresented for many years, so I appreciate that. I wanted to put on your radar an issue related to tenant relocation. The city has worked through the issues and the processes for that for apartment complexes that are being redeveloped and for mobile home rv parks.

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The one that's come up for us is motels, people who live in motels. In our areas, I-35 from 183 to rundberg there are a lot of budget motels and some of those are changed, like motel six, and they're for budget travelers and that's what I would do if I were going to corpus, but particularly the independently owned one function as apartments. There are people who have lived there for 10 years for a lot of reasons. Typically because there's something about their situation that they're not going to be able to get a lease. But because they're regulated -- there are a lot of problems that they're regulated as motels, but they're apartments, including that they don't fall under the multi-family aspects of the ordinance

now. So y'all will have a zoning case at your next meeting, I think, 70 households are being displaced. A R. Resulting in 220 apartments. So net it's probably a good deal, but it's really rough on those household households the barrier may be a short-term one, maybe they don't have the money for deposits, which they are working, they may be able to get through that, it may be a credit or rental history that will roll off at some point. In many cases it's a criminal history. And in some cases they just get out, nobody knows, whatever they did was kind of a big deal, but in other cases it might have been something from 20, 30 years ago, a drug or violent felony, and it's always going to be on their record. Or it may be the spouse of someone with that record who made this better or worse vow and are flying this hotel. I think it's pretty straightforward. It act like multi-family. We actually even know who they are because the way state hotel occupancy tax laws work, if you stay over 30 days you're not transient, you don't pay a tax, so you kind of already know who these people are.

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So I think it would be fairly simple to bring that into the ordinance, but it would take y'all and council starting that process. We think we have about 500 rooms just in our area and we think there's probably a similar cluster to the south. So it's a decent chunk of people that don't have a lot of other options. Thanks. >> Casar: Thank you for bringing that to our attention. It has been an issue in our district. So is there anybody else here who wants to speak on an item not on the agenda? Okay. Then we will take up the third item on the agenda, our plan to implement the strategic housing blueprint, which concerns affordable housing in a range of incomes throughout the city. We're now joined by councilmember Flannigan. >> Good afternoon, my name is Jonathan Tomka, I'm a principal planner with neighborhood housing and also a contract lead on this particular contract. Just an intro, the blueprint was adopted in April of 2017 as a result of resolution 20170413-024 and 025. We executed a contract with our lead consultant and our subconsultant Austin community design and development center. They have developed developed and worked on engaging the community on this I will let them get on with their presentation. >> Thanks, Jonathan, with Cora Robertson working on this project with an hcd. >> And I'm Marla terrera

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with the Austin design and development center local non-profit focused on affordable housing and we're consultants. >> Casar: Thank you for joining us. Are there spots in the presentation where we should ask questions? Are there designated places? How does it best flow? >> We had time set aside for comments and questions at the end, but I think if you have things that come up during the presentation, that would be fine too if there's something that's kind of -- you go how did you get there? I think we'd be happy to answer or just to make sure it's clear? >> How about maybe halfway in somewhere we can take a break and then leave some time for questions at the end. I know it's a pretty -- it's an impressive and thorough presentation. We can read it as you go, but the more you give us the high level stuff, I think the better so that we can have some conversation with your time here. >> That sounds great.

Thank you, councilmember. So we'll get started and move to the next slide here. Thank you. So here's a quick agenda for just what we're going to try and cover today. So first I think Jonathan has already told you some about this, but why are we here, why are we making this implementation plan? A quick overview of what we've been doing in drafting the. Implementation plan document itself, an overview of the atlas and historic conditions, which is a piece included in the resolution that introduced this implementation plan idea. And a look at these council district level and corridor level housing goals that we have created by splitting up some of the 10-year goals in a blueprint and making them geographically specific to help coordinate coordination. And then a a review and then questions and comments. And we can stop to clarify anything important. So why create a strategic housing blueprint implementation plan? I think all of you are very familiar with some of the issues we're trying to address here, but we've heard about a few affordable housing units available in high opportunity areas. We've heard that our very

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low income households are really in trouble and having problems finding homes that they can afford anywhere in the city at this point. We've heard about displacement of existing residents due to rising housing prices. And then of course there's the imagine plan that includes limiting urban sprawl. Those are some of the challenges we're trying to address here. And Jonathan already mentioned the two council resolutions that got us started with this process. So an overview of the implementation plan itself. So first -- we have three components that we've been working on as part of this planning process. The first component is detailed implementation plan document that is currently under review by nccd and city departments and should be ready to be issued for public comment over the next month or two. And so that is a very detailed document that takes all of the 65 strategies in the blueprint and dives deeper and creates action items out of each one in order to make sure that we have the ability to monitor progress, to identify partners, to make sure that these -- that resources are allocated appropriately. The second part is the atlas of existing and historical conditions. And this we saw as a real opportunity to help operationalize some of the key metrics in the blueprint by both setting a baseline, saying where are we now, and also thinking about things like what is high opportunity really? And how would we as policymakers or as affordable housing advocates consider actually measuring whether or not a set of affordable housing units is in a high opportunity area or not. This atlas attempts to do things like define that term so that we can actually monitor it on an ongoing basis. Then the third part is the corridor analysis. So this is actually what Marla is going to tell us more about today. But using the university of Texas corridor preservation tool as specified by council resolution, we have worked to define key goals at a corridor level for housing, production and preservation. Specifically for the 2016 mobility bond corridors.

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Here's a timeline. There are about -- there are six tasks that we have here, including stakeholder and community engagement, which I'll tell you more about on the next couple of slides. We have developed, as I said, a draft atlas and set some corridor-based goals. And right now we are in the process of having that draft strategic implementation plan document reviewed and we are here giving a briefing to council. So then in the future as I said we'll be issuing that draft document for public comment and then that will be followed by official adoption hopefully of the implementation plan. So the implementation plan process, we held 15 stakeholder meetings in spring of 2018 with a good number of housing stakeholders. And this included city agencies as well as pacifically a cross-section of people we thought would be important in actually implementing the blueprint's directive. That includes affordable housing advocates, affordable housing developers, market rate housing developers, service providers, regional entities, trying to make sure that we really had a good input from all of those folks who we know are actually going to be -- have items called out for their work in this document that we are creating the implementation plan. We also held two advisory group meetings in summer of 2018 that really let us drill down on some of the really key action items that require collaboration between multiple city departments. So having worked with those departments already in the spring, having said -- having started to write the implement indication plan draft we really understood that there were a number of departments and agencies that were going to be critical and so helping them really help us flesh out some of the key action items was really important to us. And I think has helped make a better document. So some of the themes of that stakeholder feedback, what did we hear. We have pages and pages and pages of feedback. So we're just trying to give the high level items here. We heard that the geographic numerical goals, everyone really likes that idea and thinks that they're going to be critical in facilitating

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collaboration to just give us a benchmark for what are we really trying to achieve in different areas of the city in terms of development. We also heard that land development code revisions are a really essential opportunity on a number of levels, but particularly to try to grow the number of mid-density residential units and affordable density bonus units that can help provide affordability without the city directly having to invest dollars because we know that we have limited dollars and by itself city funds will not be enough to get us where we need to go with the goals and the blueprint. We heard that smart housing is a really important asset that the cit has but that needs reinvigoration. That it's not negatively working as it was intended. The permitting is not happening as rapidly as folks think would be required to really incentivize the number of units that they want that program to produce. We also heard from some of the agencies who are affected by the fee waivers saying, hey, we need help to make sure that our operating budgets are where they need to be to make sure we're maintaining public assets like our water service. So trying balance that and figure out how we minimize that financial impact while making sure that we really have the resources to conduct rapid permitting will be important. Public land. Land in general is precious and land and publicly owned properties we feel like should be really considered a huge asset that this city has and they need to be used creatively. And by that we mean that we shouldn't just be looking at vacant public properties necessarily. We should be looking at opportunities to really maximize the use of every public asset that the city owns and ways to work with the or public entities to

maximize the use of their land as well. Thinking about does a property have a large parking lot that could be an opportunity for intensification. Does a property need reinvestment and could we think about reinvesting as a mixed use property that would have an affordable housing component to it? All those kinds of things need to be in the mix in order to make sure that we

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can get properties in high opportunities areas especially where land costs are high. We also think that land banking in future areas of growth is another big piece of emphasis that we should have, especially as some of those, for example, mobility projects start heading towards the fringes of the city where we have lower development pressure, big opportunities to make sure we are buying and holding land at prices that are affordable. Finally we have a couple of more internal takeaways. One was making sure that everything in the document that we produce is feasible and the city can implement it. What we're doing there is the law department has been very involved throughout and they will be our final reviewer before the draft goes out to the public to make sure everything has been checked for feasibility. We also think that partnerships -- obviously sort of intangible and harder to measure are a really big theme in this document and that city staff really need adequate support and time to build partnerships across departments with regional jurisdictions like other taxing entities, with housing stakeholders, and even with other Texas cities because we have a number of actual items in the blueprint that require legislative change and that kind of thing can be very productive, but we've got to have the political support to do that. To trying to make sure that we have that support in time will be critical. Finally, we all know that a wide ranging funding framework is going to be necessary here in order to meet the blueprint's goals for households at 80% mfi and below. So we're asking for new general obligation bond issues, which I know is already a point of conversation, expanding the ability to use tax infinancing for affordable housing. Looking at neighborhood empowerment Zones which enable tax abatements for property owners and developers who keep their properties in areas of pressure. Dedicating general fund resources to areas that really have a high return on investment, like staffing and shared equity

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permanently affordable units that last for a really long team. And facilitating public-private partnerships. Making sure that all of our public dollars are really leveraged as much as possible. The structure of the implementation plan really false the structure of the blueprint. It has the same five community values. The main difference in structure is that in the blueprint there is a set of strategies under each community value. We have reordered some of those strategies in the implementation plan to try to really foreground the strategies that we think are high impact, achievable and have really clear short-term actions that the city can take. The plan -- what we thought was really important about this implement plan was that all of the strategies in the blueprint needed associated action items that would be actionable and would incorporate stakeholder feedback. And so what's actionable? It can be measured, it has a due date so we know when we're supposed to be acting upon it. The implementers

and responsibilities of those implementers are clear. And it might have a geographic focus. Some recommendations we think are citywide such as policy changes around fair housing, for example, would apply citywide, but there are other recommendations that look at specific instances where you would be looking at corridors or transit corridors, mobility bond corridors, high opportunity areas as specific areas of emphasis. So just giving one example, the actual document itself is about 94 pages so we didn't want to go through all of that today. We're going to see if we can put it down a little bit before it goes public. But the -- one of the strategies. So this is just preventing households from being priced out of Austin as one of our community values. One of the strategies associated with that, the first strategy in blueprint is to expand the use of community land trusts and other forms of shared equity ownership. So in order to make the implementation plan we actually went through all of these strategies and highlighted so you can see in bold text on the slide here which areas we thought

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could be turned into action items. We said okay, in this case one of the action items could be dedicating additional resources to community land trust and shared equity ownership. And we used-- these are some examples of tables that we used with different stakeholders and city agencies to really get at how we would make each of these items actionable. And so you can see on a summary here of action item 1-a, which is to dedicate additional resources to shared equity ownership programs. Some of the things we heard from stakeholders here that were interesting is let's make sure that our shared equity housing provider can absorb resources, if we're putting additional resources in that direction. So we recommend issuing a request for information to citywide shared equity housing providers on the history of units created, the level of subsidy they have needed to produce each of these units and current status of those units. We also think that there should be capacity building, lending and community education assistance to help scale up home equity shared ownership. Because we know that land trusts can be a confusing concept and some of the constraints are actually on the home buyer side, I don't know what this is or if I want to buy in. And finally trying to say how do we actually put a number on this? Saying let's dedicate resources of two million dollars a year to shared equity funding programs and ensure whether or not we are successful in doing that. That is a quick summary of the implementation plan and I think we're about halfway through our time anyway. So any questions at this point? >> Councilmembers, anything? Councilmember kitchen. >> Kitchen: Thank you so much for all this work. I'm very excited about this. It sounds like from your description of the plan that you're hitting all the things that we need -- that we'll need to make it actually work. So just a couple of quick questions. So you had mentions an

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advisory group. So is the thinking to make this kind of group permanent? We had talked in the resolution about an interdepartmental action team, which this appears to be a similar kind of thing. >> Yes. >> Kitchen: Is this something that's an ad hoc or something that you think will continue? >> Erica

leak, neighborhood housing. Some of the councilmembers remember a number of years ago that an interdepartmental team was created called the housing transit jobs action team. And it was originally created prior to the last urban rail bond election. But it was also predicated on the idea that we know as a city that we need to do a better job of connecting, transit housing and jobs. So the concept that we have used is that that team will basically take on the mantle of being the implementation team for this. So we reached out to them and additional members as needed who weren't necessarily already on the housing transit jobs action team. >> Kitchen: Okay. And just -- I can get in more detail later. Is that a city -- what's it composed of? Is it city and community? >> At present it's mostly city plus capital metro. So. >> Kitchen: Like this group that's on the slide. >> Correct, yes. >> Kitchen: I'll let someone else ask. >> Casar: Councilmember Flannigan. >> Flannigan: You said in your remarks building housing where the land is more affordable. So one of the struggles for my district is I've got a lot of land, but not a lot of infrastructure. So the -- to what extent are

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we considering existing infrastructure that you saw the housing problem and it blows up my water utility budget because I have to lay more pipes. Or new fire stations which is something that we all know that we are recently struggling with. >> So I'll let Jonathan come in on this too, but one of my takes is because we are prioritizing areas that are in the imagine Austin plan for new development that these hopefully would have been areas that we were targeting for growth regardless. So the infrastructure costs, I hear you that that is a concern, but I think to some extent if we were assuming growth was going to happen in those directions anyway then that's something we're going to need to build in as we move along certainly. >> Flannigan: I see. There's a practical reality involved. Love those. >> It's true. >> Casar: And I think we can get in these later slides you have maps of our districts and I think each of us will be intensely interested in that on this committee. Or not. And maybe we can get into that as we get into the end of your presentation. Councilmember Renteria. >> Renteria: Yes. On smart housing, your requesting or asking for more additional review teams. Is that from the permitting process? And how many teams do you think that we would need. >> Great question and we may want to bring other folks here. As you may know, one of neighborhood housing's budget proposals for this year is to have a facilitated reviewer that will help with affordable developments, kind of get them through the process more quickly. In terms of needs, that's a very good question. >> And I wouldn't want to -- Rosie Truelove, director of neighborhood housing. I wouldn't want to speak for development services, but we heard loudly from our affordable housing

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development community about the importance of having some assistance in getting through the development process. Especially when you have projects that are tax credit projects that have very, very firm deadlines. So we worked collaboratively with development services to come up with the concept of having a facilitated reviewer and while it's not something that we would call expedited review, we kind

of kicked around that term a little bit, but it's expedited review is much more than dsd staff. There's a number of departments that are part of the development process and reviewing plans as they come forward. So what we kind of are considering this facilitated review position as an ombudsman that can help any project that's coming through with affordable housing, if they're running into roadblocks then they have somebody embedded in dsd funded by neighborhood housing, but embedded in dsd that can help clear the roadblocks and call the people to the table and get them the assistance that they might possibly need. So that's one thing that we're doing already in anticipation of these kind of recommendations that we know will potentially be of value to our affordable housing developers. >> Renteria: And the reason I brought that up is because I've had different groups approach my office and explain to them that the problem they're having going through the permitting process. And -- so I talked to Ronnie Gonzalez and said okay, so we know that last year we didn't give you enough, and I just want to make sure that we can catch up on permitting process. And I know he's going to come in and make some recommendations for more personnel. I hope that we as a council really take -- listen to what's going on out there because I know there's a lot of non-profit groups, especially working with tax credits, who are just barely meeting the deadline and it's just unfair for those groups to have to go through there. And -- >> Casar: Councilmember, I think there might be follow-up questions on

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permitting issue? Is your next question on permitting? >> Renteria: No. >> Casar: We'll get right back to you. Do you have a follow up on permitting? >> Alter: I do. I've been trying to get clarification on whether that draft proposal was included in that budget or not? >> My understanding is it was, yes. >> Alter: Great. Because we had put it in the concept menu so I'm glad to see us moving through it. >> It's not going to show up under dsd. It will show up if you look at the housing budgets, there's an increase of one fte. There are some changes specifically moving three ftes out of the housing trust fund to general fund, but that doesn't reflect in our overall numbers. You will see one position increase and that's for this facilitated review position. >> Alter: And that would be for like how much affordable housing do you need to do to be able to access that? >> We have not -- I just sat next to Rodney in a meeting this morning and he and I were talking about the fact that we need to start -- now that it's been included in the proposed budget, we need to start putting some meat on what that would look like. So that's not been determined yet. >> Alter: Okay. I look forward to hearing more about it when you have the details. >> Absolutely, yes. >> Casar: Councilmember kitchen, did you have a question on this point? >> No. >> Casar: Great. I'll get back to councilmember Renteria in -- maybe not for you to answer now, but for homework purposes on this point. My understanding, which may be right or a misunderstanding, is when we created the extra -- two extra teams for expedited permitting generally, and this might be different than for all the other reviews. But for expedited permitting my understanding is the higher level requirements that were set were for nonresidential so that for residential permitting affordable housing builders could go to those teams and through smart housing because our smart housing program gives you access to expedited permitting, utilize these teams and because they waive the fees, not have to pay the fees for those two teams that they

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have already hired. If that isn't happening I'd be interested to where the disconnect was. And that doesn't mean that we shouldn't hire this additional person. I just thought that some of this had already been handled something like a year and a half ago. So y'all -- >> That's officially noted as homework because I cannot answer that right now. >> Casar: I thought it might be that. We'll just circle back. >> Alter: I want to throw out, if I might, because that might be because of the size of the development that's developable for expedited permitting may be well above what the affordable housing builders are building. For when you can take advantage of that with the better billioner standards. >> Casar: I think the standards that were set were for nonresidential building specifically because the conversation with affordable housing builders we wanted them to be able to access it. Again, maybe you will just circle back on it and we'll handle it between here and budget. Councilmember Renteria, thank you for your patience. >> Renteria: Sure. The other one I don't have as much information on and the tax abatement on will neighborhood empowerment zone. How would that work? >> This is permitted in state law. And the city of Dallas and Fort Worth have been using this. More to stimulate neighborhood redevelopment actually. It's kind of a -- you establish a geographic zone and within that zone the city is empowered to grant tax abatements for up to 10 years for property owners who meet specific requirements that the city is able to set. And I think there's a menu of options that cities can use to essentially allocate that incentive to property owners. So affordability and affordable housing is an allowed option under the state law. So if they provide affordable housing you are able to in return not the entirety of property taxes, but the incremental increases in property taxes that they would experience from that point for the next 10 years.

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>> If I might add, there was a council item related to this that a memo went out in the last week or two or three. It went out through official distribution that has the resolution response and information that might be helpful for you. >> Councilmember kitchen. >> >> Kitchen: Subject to what the chair wants to put on agenda, but that one might be a useful one for us to get a briefing on. >> We could certainly do that at a future meeting. It was something that in the resolution it asked us to do analysis for potential implementation, not this budget year, but next budget year. So I think it's -- we're recommending that we look at implementation for next budget year. Maybe when we're not in the thick of this particular budget, but at a meeting upcoming. >> Casar: Okay. >> Kitchen: I have another question. Okay. So-- you described it pretty well, but I want to make sure I understood it right the components of the plan. So I understand the components on due date and specific steps and that sort of thing. Will you also be identifying specific resource needs? >> Yeah. So in the implementation plan we are working to identify resource needs. I think there are always kind of trade-offs. So I think there's only so specific that we're going to be able to get. I don't think we can provide an exact menu that says two million goes here and three million here. But we can certainly identify and are identifying where we think additional staffing is required, where we think additional funding is required and where we know additional resources such

as partnerships are required and identifying who or where those funding sources might come from. >> Kitchen: Okay. So my last question would be just on page 8, I think it

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is, where you have a list of the stakeholder meetings -- I don't know if this is everybody you included or not, but I wanted to flag the importance of including integral health. You know, that's our local mental health authority. And so they are engaged in affordable housing specifically for people experiencing mental health issues, which is a significant component of homeless issues. So I think if you haven't already, it would be good to seek out their input. >> We can reach out to them absolutely. >> Casar: All right. Take us to the good stuff. >> Great. All right. So the at atlas of existing and historical conditions. This atlas, which as we mentioned was defined as a deliverable by the council resolution, we -- we're trying to figure out kind of the best way to put this together so that it could really be helpful in moving the implementation plan forward. And we ended up creating three different components. We have an opportunity index index, we have a displacement risk index and we have an environmental index. So the opportunity index really creates that operational definition of high opportunity areas that I was mentioning earlier. And this -- the ideas that this would replace the cure 1 opportunity map that was previously used by the city. The displacement use index is part of the gentrification study that I think you heard a presentation on a few months ago. We've coordinated with them and this incorporates their data and their analysis. And we thought that that would be a very good thing to have formalized as part of the implementation plan process. And finally, we have an environmental index and this was actually something that stakeholders mentioned to us that they thought was very important because there are a number of different

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environmental questions when you're considering any development. And we said which of these environmental issues really constitute a unique risk in some ways for affordable housing and where we should consider those under the sort of affordable housing umbrella rather than just make sure that we have a consistent city policy about all development? And so that's the idea around the environmental index. So the opportunity index, you can see we have a map here that is in shades of blue. The dark blue is current high opportunity areas. The light blue is emerging opportunity areas. And those areas were defined using the enterprise community partners opportunity 360 database that the nhcd had already been using and coordinating with enterprise around this. The nice thing about that database is that it is updated regularly without city staff needing to perform that update. It is also a consistent national set of metrics that can be applied to any city across the country. So it really does give the city of Austin a way to kind of understand where do we -- where do we stack up? How do these census tracts perform relative to the region, the nation. So we -- I can go into more detail on how we define these. It is a bit of a lengthy explanation so maybe I will save that for the question period unless folks really want to hear right now. The index is directly using the university of Texas gentrification study data so the geography

here should look pretty familiar. We have -- we have created a simplified version. We are also including the detailed version in our atlas. This simplified version looks at high displacement areas, where we believe current displacement is on now, and places where we believe areas that are at risk, but where we don't see as much current displacement. So this was all based on the categories that were already defined on the university of Texas. So we think this simple version is just to

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evaluate on a portfolio level where it may be good for a project by project. >> And if I can say being about the gentrification study. The final product of that should be coming to council I believe in September. So they're working along the time frame that we had asked them to and they'll be coming back and kind of doing the final briefing on that in the next month or two. >> So the last piece is the environmental index. As we mentioned, this is really key environmental risks that could preclude or just require additional due diligence for affordable housing projects that are proposed for certain areas of the city. And the three indices that we -- the three components we identified here were 500 year floodplains, knowing about the increase in flood risk that's happening really across the country due to climate change issues, knowing that Austin is also experiencing some differences in how flooding is occurring. We think that it would be much safer to make public investments in affordable housing outside of those 500 year floodplain areas, rather than using the 100 year floodplains which would be kind of a more conservative model, but we think just the 500 year as things change is going to really prove to be where the risk is. Also putting 500-foot buffers around highways for air quality monitoring and due diligence prior to developing new affordable housing projects around highways. And this is because there is more increased asthma risk closer to highways. It depends on geography, vegetation, but thinking about due diligence and air quality monitoring prior to those types of developments occurring next to highways. And finally, about a 300-foot buffer around currently environmentally hazardous sites, so on immediate brown fields and slick. >> Casar: And I imagine the pedestrian risk is also -- >> Yeah, yeah. >> Casar: Like the asthma one. >> So that is covering the

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atlas. And I'll talk now about how we use that atlas as well as the UT corridor housing preservation tool to set some council district level and corridor level housing goals. This is nhcd and the strategic housing blueprints out the 135,000 units that are projected to be needed over the next 10 years by income level. And so of those we need connect thousand affordable housing congruence for house holes at 60% mfi over the next 10 years. And it sets the geographic metrics including the congruence in high opportunity areas. Within a quarter mile of transit and within a half mile of imagine Austin centers and corridors to really distribute the units geographically. So we used the atlas in our analysis of high opportunity areas specifically to help create council district level goals for housing production based on that 60,000 unit number for households below 80% mfi. So we looked at the percentage of the city's high opportunity area that's located in each council district. We looked at the percentage of the city's area within a

quarter mile of high frequency transit located in each council district and looked at the percentage of area within a half mile of imagine Austin centers and corridors in each district. So you can see that in your printouts as well as in the presentation. So units at each income level were allocated by council district according to these percentages. And the table on the next page is the outcome of that analysis. So you can see the numbers vary by district and that's really a function of just each district has different amounts of those area, those three areas that we analyzed. There is one exception to that which is that you will see for council districts 9 and 10 they have an

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additional fourth column that the other districts don't have that talks about 81 to 120% mfi ownership. And the reason for that is actually on the following slide. The blueprint also sets a numerical goal for 25% of ownership units in each district to be affordable to households earning at or below 120% mfi, which is about knife thousand dollars as of when -- \$95,000 when the blueprint was adopted. It's gone up to about 100 million. So we use census data to really look at which districts roughly have houseds that -- do each of the council districts have 25% much their ownership units affordable at this level. And council districts nine and 10 are the two that we found have a home ownership gap. So that's why on the previous slide you will see that each of those is assigned an additional goal around 81 to 120% mfi ownership that the others are not currently assigned because the others do not have a gap there. That's it in a nutshell. I'm sure people will have questions about that and we will definitely answer those very soon. But I think before that Marla is going to tell us a little bit more about the corridor preservation tool and how we use that to create corridor goals. >> So the corridor housing preservation tool is very useful resource and wanting to understand areas that are rapidly changing. Specifically when looking at the vulnerability of housing within those specific regions. So the tool answers three -- addresses three main questions. The first one is how much transit access does a corridor provide to low income renters. The second one, how many affordable rental units are vulnerable to redevelopment. And lastly, how intense is the development pressure. So the tool contains indicators that answer each of these three questions. Then for the strategic

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housing implementation plan we use these tools specifically to look at the 2017 mobility bond corridors, the ones that are funded and the ones that are preliminary. 2016. One of the useful things about this tool is that it used national and local data that is readily available, so it is going to be really easy for the city to actually update and look at as conditions change in the corridors, new corridors want to be examined, it's something that will be easy to do. So this is -- the graph that you can see here is one of the many summary tables that come out of this tool. Basically it gives you an explanation by corridor that is under analysis and for the three different indicators that it's looking at. So access to transit, vulnerability to affordable housing and also developmental pressure. So not only can you see how each indicator is doing, it's on a scale from one to 10, one being kind of a low intensity and 10 being highest

intensity. You can also see how the indicators also affect each other and work with each other because obviously every corridor is going to have different factors that are affecting them. So for example, this could also give you information or give you an idea of what strategies could be used for different corridors. So areas that have a high development pressure, for example, north Lamar and Guadalupe or others, it might mean if there's a high development pressure it might mean that there's a lot of competition for the land in that specific area, which might mean that the price for land is high. So in those regions maybe the strategies that we need to be looking for is all right, so how much affordable housing do we have in that area that we can actually help preserve, whereas other areas that there might not be that much developmental pressure, which also might mean that the land value might not be as high, we can start thinking about strategies that go around land acquisition in addition to obviously preserving some of the affordable housing that might be there. >> So we use this corridor

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analysis that acdc conducted to create corridor goals for each of the 2016 mobility bond corridors for housing production and preservation. So how do we do that? In brief, we know that there is an overall goal for how much of the city's housing will be produced within a half mile of imagine centers and corridors. We determined that the mobility bond corridors are congruent with 31% of the city's housing goal for those imagine -- for -- they're congruent with 31% of the length of the imagine corridors, sorry. And so then we defined production goals by prioritizing areas with low development pressure as Marla just said, and preservation goals by prioritizing areas with high development pressure along those corridors. And what we came out with this is set of corridor goals that you will see in the table on the slide with the map. And so each corridor has a goal for housing preservation and production within a half mile for households at 80% mfi and below. And the robe we're not dividing out development and production here, even though we calculated them separately, we wanted to make sure at geographic level that the city and developers have a chance approximate to respond. Even if it's place where I think we should be prioritizing preservation, if there's a production opportunity on Guadalupe, let's do T right? And let's meet this goal. To trying not to get so specific and just to set overall goals for production and preservation within a half mile of each of these corridors we thought was probably sufficient. >> So just a quick look at the process, the review process for the implementation plan and the next steps. So the implementation plan text at this point for all five community values has been sent to city departments and agencies for review. And the draft implementation

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plan and atlas of existing and historical conditions, which will incorporate the corridor analysis as well, will be issued for public comment. After we receive public comment, we're going to update the drafts based on that feedback and create a scorecard that can be used to monitor progress on each of the action items year over year and that will through an emphasis on the short-term action items that we should really be looking at in the next two years and then we'll begin the adoption process. So that's it

for the presentation. We do have time for more questions and comments and as I think you've already noted there is an appendix here with everyone's council district with maps and numbers in it and we are very happy to take a look at those as part of the process as well. >> Casar: Will you -- since there may be questions on that -- you don't have to go through every district, but will you just put on one, for example, to pick anybody out? You can use councilmember kitchen since she's a voting member now. [Laughter]. >> Kitchen: That will save me from asking a ton. >> Casar: If it's a good example, if it has all the different colors. If councilmember kitchen's has the variety of colors, because I think -- >> Hers is more similar colors. There is a lot of high opportunity, which is great. I think -- maybe council district 4 is -- it has a variety of colors. [Laughter]. >> Casar: How about you use hers and mine and walk folks through what it is that you're generally -- so we don't have to walk through all of them, but to give folks an idea. >> For each of these council district maps essentially what we've done so you remember we had those three different metrics. We had high opportunity areas, high frequency transit areas within a quarter mile of high frequency transit,, and we had -- what's the third one, which I'm blanking on right now? Imagine Austin. That's what the third one is. So those -- so between -- so each of these maps goes over roughly what is the division of those areas, but in each council district. And not all -- some -- most of the urban core council

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districts I will say are pretty much covered by all of -- one of those three areas almost everywhere. There are some like -- like on the fringes such as council district 8 where you have some area that's within the council district that is not in any of those areas because it either -- it doesn't have high frequency transit, it's not in a high opportunity area, and it doesn't have -- it's not imagine Austin corridor. So for council for council district 4 the pink areas are high opportunity, the kind of blue areas are high frequency transit, and the sort of yellowish areas are imagine Austin and then you do get these kind of greens when you get two or more areas overlaid with one another. For example, a green would be high frequency transit plus imagine Austin because it's blue. You got to get your color combination. We can maybe try and do better on indicating which of these go with which combination of factors. So what we -- using this kind of map and this analysis, we were able to say that -- we also looked at the number of existing units in each council district just to give a sense of the magnitude of the production goal we were suggesting. For each council district, for example, in council district 4 there's currently a total of 29,254 units and we are suggesting that 4,300 usage be added to that. It gives you a sense of essentially how much are we asking to add compared to what's currently there. And then you can also see that we have a table on the left that goes over -- based on this kind of map and the analysis that we did about what percentage of the city's area in each of these three categories was in council district 4. We know roughly that this -- we were able to calculate that divide up that units to say council district 4, for example, needs to take on

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4,300 units roughly that have 60,000 production unit goal. >> Casar: When you say 29,000 existing units, you mean 29,000 -- >> Housing units in the district right now. >> Casar: 20,900 period. >> Period, yes. >> Casar: Of which you haven't broken down -- do you have the breakdown of -- >> How many are affordable? >> Casar: I'm going to have everybody go through and ask their rounds-questions. So thanks for getting us the overview of that so people could ask their questions based on the whole presentation. >> Absolutely. >> Casar: I feel there's probably a decent number of questions so if we could have folks ask maybe two and if you have more than that we'll come back to you and if there are questions that follow up on the same topic just waive at me a little bit and I'll put new the queue. We can start down at the end with councilmember kitchen. >> Kitchen: Okay. So I think if you -- I think if you look at slide number 26, so I'm trying to get the big picture, so I'm understanding the big picture of the factors that are impacting the goals. Because that will help me understand. So, for example, I'm seeing larger numbers than I might expect in one, two, and three, smaller numbers than I might expect in eight and ten, but that may be because I'm not understanding the interplay of the factors. And I also want to understand, when you -- these goals are related to -- did I hear you say additional? In other words, these goals already account for what's on the ground right now, right? >> So we're not really examining -- so I think we were only putting in what's on the ground right now to give a sense of kind of magnitude. >> Kitchen: Okay. >> But the goals actually are not currently accounting for what's on the ground right now because they're dealing with a perspective production goal we've set of 60,000 new units. >> Kitchen: So, for example -- >> Additional units.

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>> Kitchen: For example, and I'll get back to that, my question. For example, if there's a number for district 5 that's 5,181, that doesn't reflect -- or if I'm looking at 1,727, zero to 30% mfi, that number would not reflect what is already existing in the district that falls into that mfi? >> Correct. >> Kitchen: Okay. All right. If you could just answer my question about the big picture, help me understand what's influencing these factors. >> Absolutely. So if we go back to the previous slide. It's a little hard to read I think for folks in the audience so I'll quickly kind of go through what's in that table. For each district we essentially look at the percentage of the citywide -- so we say -- essentially there's only so much citywide area that falls into that high opportunity map we looked at earlier, right? So how much of that area is in each district? What percentage of that citywide area that's high opportunity is incorporated into each district? And so, for example, for council district 1 has 7.8% of the city's high opportunity area. It has only 1.5%, approximately, of the city's high frequency transit area within a quarter mile of high frequency transit, and it has about 20.5% of the city's area within a half mile of imagine Austin center corridor. So really good on imagine Austin, very low on high frequency transit accessibility, and sort of middling on high opportunity areas. These three factors defined in the blueprint to say there's 25% of units in high opportunity areas. So we basically said that 25% of the 60,000 total affordable units that we need to produce in next ten years with going to be -- have to be located in high opportunity areas. And we allocated that by

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this set of percentages. And so that's 15,000 units over the next ten years need to be built or preserved in high opportunity areas. 7.8% of those need to go in district 1 essentially. I know that's kind of -- >>

Kitchen: That's all right. You can give me the math letter because I have to think about it. >> Right. >>

Kitchen: What you're letting me -- helping me understand is the factors that are moving the needle 11 way or the other. >> Yeah. >> On the factors and then I'll let it go, the high opportunity, I'm still not quite understanding. I get the factor about prompt to transit -- proximity to transit. But remind me what does high opportunity mean? What's going on in that area that makes them high opportunity. >> So we used on this opportunity 360 index, that is this national kind of index developed by enterprise community partners, and that actually has nine different kind of indices they evaluate for every census tracked in the country contained within it those with divided into outcomes, which mostly reflect what's going on with current residents, I would say, so housing stability, mobility, and access to jobs, education, economic security, and health and well-being. It has four pathway indices that look more at access to resources, so that would be community institutions like school -- good schools, hospitals, social capital and cohesion, access to jobs and services and sort of an environmental index. And we looked at all nine of these indices to really say which tracts in Austin are above the median for all of these indices and which ones are below the median. And we added those numbers up and tracts that were above the median for six of nine of those indices were included in the high opportunity area. And then we also have these emerging opportunity areas that were defined. Those are above the median for two of four pathways,

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because we think that pathways are better at looking sort of -- being forward-looking because they are more about access to resources and less about sort of what the current characteristics of residents are because we think that really good access to resources can help change kind of the characteristics is and the things that things residents can do over time. So if you have really good access to good schools you will see that that sort of -- folks are receiving good educations and they're able to do better in the future. >> Kitchen: I'll let it go now. I have more questions. >> Casar: Are there any follow-ups on the issue of what factors run into setting up the district goals? Well, I think she has a comment then councilmember alter and councilmember Flannigan glue just a quit note. She did say it earlier, but the idea is this new index will replace the previous cure one maps that are now out of date. So that was what the department previously used to help define opportunity in a geographic way, and so the the opportunity 360 data will now be used. >> Casar: Thank you. >> Alter: My turn? Okay. So on slide 26, I don't know if this was intentional or not, but there is -- it looks like you didn't add the fourth column of numbers, the fifth column, into the total number. >> Okay. >> Alter: Of units for both nine and ten so there's a disparity there. So it looks like 10 is really low but it's actually up at 7,400. So if we could get that corrected that would be great. I think it's just for 9 and 10 there. I was trying to make sense of the numbers and -- >> I think that's -- so that the total units are based on those below 80% mfi, which is what ties to the 60,000 unit goal.

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>> Alter: Okay. Then there's -- we need to find some way to have clarity between this and the maps because the map says the 7,409 and that's just confusing and I don't know what it's meant to be, but that's confusing. >> Yeah. We will find a better way to represent that. I agree it's confusing. >> Alter: Then I wanted to ask when you calculated the percentage of high opportunity, was that based on acreage? >> It was -- yeah it was based on the citywide, like, area, and I think -- I can't remember what units we were using in gis but I think, yeah, acreage would work. >> Alter: Okay. Did you take out the preserves that are in my district or did you include them? >> So it's just about -- I mean, I think it's -- I'm trying to think. If they're within some of those Zones, like, if they are on the map and they are sort of in a color, then they were not excluded. >> Alter: Okay. So this was a challenge that we kept having with the capacity analysis, was with codenext is you cannot build in the preserves. And there's some other constraints which make it unbuildable in my area, whether it's parkland, whether it's green belts but largely it's these preserves that take up a huge portion of the acreage in the district. And so I'd like to see those calculate -- I'm not objecting to the numbers, per se. If you're going to go out to the public and start presenting this, one of the challenges we have is you put this big red all over district 10 but you can't actually build in the preserves, and then people come to conversation and they're already frustrated before you can have the conversation that you want to have about how do we put units in this high opportunity area. Because there are already, like, well, it's a preserve so your numbers are suspect. So if we could make sure that as we're doing this that we're talking about land that you can actually build on, obviously, there are going to be some places where you're not going to get all that detail, but the

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preserves can be pulled out very easily and we have all sorts of this information from presentations from them from codenext that we can share that can help you to think about it. But it -- you know, with district 10 being -- it's, you know, 20% of the high opportunity, I think some of that is because of the preserves. And it's low on the transportation and low on the imagine Austin and so I'd like to see us get those numbers accurate to where we can -- >> Kitchen: I would like to also point out there's a number of big preserves in district 5 also to the south. So I concur with councilmember alter. It would be good to run them that way so we can just see. >> Casar: Yeah. I imagine that would change both the numerator and denominator. So in the end the overall numbers might not shift that much but I think to y'all's point when shown to the public may be able to get around having to -- for us to wrestle with that question. >> Alter: It needs to be also on the maps because it just -- or it's not in Austin or, you know, there's just some things there that every time they put up that map we would get all this -- these comments about it, and there are some real issues and real concerns there, and it prevents one from having the conversations that need to be had if we don't address it properly through the process. >> Casar: Councilmember Flannigan, thanks for your patience. >> Flannigan: Sure. Just to reiterate the map issue, because there's a lot of unbuildable areas in every district, councilmember alter and I share the balconies preserve between our two districts, and the weird map artifacts like one side of a highway is high and the other side is no opportunity. It seems unlikely that would be true. >> It's divided by census

tracts so you do end up with some of these things where, you know, census tracts roughly are designed to have relatively equal populations but they certainly don't all

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concentrate that population in the same places so I think that's why we had sort of considered that, you know, even if there was unbuildable area across the city, that if the tracts all incorporated relatively equal populations you'd be able to put the units somewhere in the tract but that may or may not be completely true. >> Flannigan: Yeah, it's an imperfect tool. I understand that it's an imperfect tool. Its imperfection exacerbates the situation we're talking about because it makes the areas that include preserve larger and they stand out more on the map just from an info graphics perspective, making sure that we're being clear. >> Yeah. >> Flannigan: The -- as you laid out the components of this analysis, I understand that you've built a model. So help me understand where the policy levers are in the model. So there's some assumptions about how important high opportunity is relative to access to transit, right? And in your kind of initial draft you've made a policy choice on what that emphasis is. So are those areas for the council to kind of play with and see that, you know what? We're thinking we're going to address some of the transit concerns because we're meeting with cap metro and having these long conversations about expanding high capacity transit so maybe our housing goals should emphasize more on the high opportunity areas because it's not currently reflective of all the transit we think we're going to have. So how might we use this as a tool in that way? >> Sure. So if you look at slide 24, the blueprint, we kind of just used a ratio roughly suggested by the blueprint, and I'll tell you about the one change we made. So we have 25% of units in high opportunity areas is a goal set by the blueprint so we said let's allocate 25% of these 60,000 units to high opportunity areas. The blueprint also says let's build 25% of units within a quarter mile of high frequency transit, so we said let's allocate 25% of these 60,000 units to

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those areas. Then it also says 75% of units within a half mile of imagine Austin centers and corridors. Well, now we're over 100%. And we -- and we know that there is -- [laughter] >> Flannigan: [Indiscernible] >> They're not mutually exclusive, which I think was the idea. Because we know they're not mutually exclusive we said let's assume some of the imagine Austin are not captured in the other two, so essentially we have 30,000 we're allocating to imagine Austin centers and corridors, 50,000 to high frequency transit areas and 15,000 units that we're allocating to high opportunity areas is how we did it. >> Flannigan: I see. >> Kitchen: To your point that's existing transit. >> Flannigan: 25% of the existing transit. Although I think it's fair to say telling staff to do 125% of things is a very Austin way to go. [Laughter] Since our common practice is do all the things and then do more of the things. >> Casar: We live inside of that diagram. >> Flannigan: Yeah we do. Just to address an earlier question about the existing unit numbers, they're very head scratchy for me. My district's number is dramatically lower than every other district. I'm wondering if maybe we excluded Williamson county from these numbers. >>

Possibly. I have to go back and check. >> Flannigan: Yes. Generally there's a pretty dramatic difference between the total number of units in the one that -- I think councilmember Casar, your district had 20 some odd thousand, 29,000? And then just district 5 is 42,000. That's a pretty dramatic difference in districts that are both majority renter and have some common characteristics. So I'd be interested to know more detail on the existing unit calculations. >> Sure. >> Flannigan: Because as much development as has

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occurred, and, councilmember Casar, you and I both recall that analysis that showed over the last eight years your district and my district has added the most population, but how could I have the fewest number of units. I think I've seen 19,000 apartment units constructed in the last five years in my district so I'd be curious to know a little more about that. >> These are based on census data which certainly could -- one of the problems could be that it's a little out of date because I think we're using five-year census data, which is 2012 to 2016, so you can assume this is reflecting sort of an average of what would have been going on in, say, 2014ish, but even then if it seems low we can check. The way we did it, I think we selected tracts that had this centroid inside the district. If you had a skinny district that there might be some tracts that actually are incorporated in there that are not totally reflected so we can go back and take a look and see if there's something that really is out of whack here. >> Flannigan: So my score in the etj areas may be left out. >> Yeah, they probably are. >> Flannigan: That makes a lot of sense. Yeah you can go on, chair. >> Casar: Yeah, thank you for -- I saw this. I said it's so thorough and that's really useful and powerful but that of course means you're open to lots of questions and so thank you for working through them with us. Sorry? So I've got a question on actually still -- I think you were still in the follow-up phase to councilmember kitchen's first topic here, which is which factors went into formulating the councilmember goals. First I'd say having councilmember goals I think is smart and a good thing for us to do and it's not technically -- you know, I could think of lots of more technical ways to do it but I think that given the system of government that we work with and I think it's powerful for us to have council district goals on top of other goals so I'm glad that we have those. Two suggestions that I would make and I'm not going to suggest how to include them,

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is to -- you have your displacement analysis map in here but I'm not sure how it factors into creation of the goals, and maybe y'all can tell me a little more about that. Then also I think as was brought up, I forget by which member of the committee, the existing and historic trends for construction of affordable housing, I think y'all should also consider having it calculate into this somehow. And the reason -- I'll give you the reasons for both, be in my view, are, one, I do -- you know, in Austin I feel like oftentimes we're catching up on things that we should have done five or ten years beforehand or longer. So I don't want us to not be investing in areas that we think will -- our studies are showing might be subject to gentrification because probably by the time we've study it and published it and talked

about it there's been significant gentrification and displacement there. So I do think that us thinking definitively about saying, look, areas that may have been considered low-opportunity or not even gentrifying in our collective memory right now are likely the places where gentrification is happening rapidly. And -- >> And this will actually wrap into the next presentation, which is about the rental housing development assistance scoring criteria, which we are talking about how to -- how to wrap those displacement and gentrification areas into that scoring criteria. So -- >> Casar: Great. >> There's more. >> Casar: And I think that that may, you know, suggest there are some areas in districts 1-5, for example, that need more to buffer against that gentrification we see mostly in the map in those five districts. But then on the other hand, I do think that taking into account the fact that history brought us here, I think is important, and to also look at whether -- if there are places where historically a lot of affordable housing has been built to recognize some V in the model, even if any of

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these are huge shifting factors, they're good questions that people have asked throughout the strategic housing blueprint process and things y'all have recognized, them having someplace in the model or in the way you think about this I think would be helpful. So I guess my question and my -- inside my suggestion is, is it true that right now you've got the displacement map in the presentation but it's not plugged into the formula for how much affordable housing should be built near concern corridors and districts? >> It's not. Largely because there's not sort of a geographical goal set for it in the blueprint the way it is for kind of high opportunity areas, quarter mile high frequency transit areas and imagine Austin centers and corridors. There is a numeric goal set for preservation over the next ten years in the blueprint which is 10,000 units, and I think we to some extent are assuming that 10,000 units of preservation really wraps into achieving these goals as well, that maybe not all of these units are new, but some of them might be preserved. To me that means they are essentially new to the affordable housing market because they would have otherwise expired or not been available to folks at an affordable rate. >> Casar: Just some sort of subgoal that recognizes areas that have historically not had as much affordable housing for there to be some specific way we'd look at that and a special look at areas with -- areas where gentrification is rapidly occurring or about to occur to buffer against that. I also don't want to let -- I think, again, I think the district model is great but I don't want, for example, the southwestern corner of my district, which is high opportunity, quote-unquote, off the hook just because the northern -- just north of it is lower opportunity. So, again, I don't -- I think focusing on council district goals makes a lot of sense, but if there are

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particular parts of our district that just -- you know, just because the percentages is off, if we could just make sure we're making sure, actually, however, within this district or that district there are places where there isn't home ownership opportunities below 120%, for us to also make sure we're not losing safety those just because of the political boundaries. Is there a new question not based on the criteria to

form the council district goals? Same issue? Councilmember kitchen, then councilmember alter. >> Kitchen: Real quickly. We established that these goals do not reflect existing affordable housing. Is there a mechanism to get to that? Because I -- >> Casar: I think that was one of my two suggestions, for them to think about and maybe bring back to us how to think about gentrification and how to think about historically the amount of affordable housing you've had as factors. But maybe -- >> Kitchen: Yeah. >> Casar: How to incorporate those, but to hear from us that multiple of us want to know that. >> Kitchen: I guess I'm asking a little bit different way. I agree. But, you know, to say that a goal for a particular area is X doesn't account for what's already on the ground. So really -- okay. I'm just reiterating what you said. I think we need to understand if there's a way to do that because that -- that's one of the first -- you know, councilmember alter talked about some concerns that the community may raise. Well, that's another concern the communities will raise, is, like, okay, we've already got a lot of this on the ground. >> I think we can look at that. We did want to make sure that these goals were to some extent prospective and forward-looking because that 60,000 number, that's not about sort of how much we currently have. That's in addition to what we have. So it has to be allocated somewhere. But we could think about whether there is an ability to factor in kind of concentrations of affordable housing that exist.

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I think we certainly -- we certainly have mapped those, and we talk about it some in the implementation plan, but I do agree it's important to figure out at least how to sort of show and we can see if there's a way to change this or if it becomes really messy in some ways. >> Casar: Just think about it. >> Okay. >> Casar: The past isn't -- >> Yeah, that's true. >> Alter: I have a couple questions, I have a follow-up, but you went over multiple things that lead to different things. Let me try and -- so I understand you had to pick some goals to figure out kind of your first pass at this. Did you go back then and see if you satisfied the goal of the 75% within the half mile of the imagine Austin corridors by using that formula? Because I don't think it was meant that they were supposed to add up. I think it was, you know, your ultimate result was supposed to satisfy those three things and you might have had all -- you might have had a 25% that was all three of those. You might have had -- you know, the different Ven diagrams but at the end of the day the blueprint did say it should be all three of those. What I heard you say is it was 50% of imagine Austin and I understand you have to start somewhere but now that you've got this, if you go back, is it -- does it satisfy the 75% criteria? >> We can look at that. We did look at the overlap of mobility bond -- sorry, not mobility bond, of high frequency transit and imagine Austin corridors, and it did seem that the overlap would sort of enable us. It's a little difficult just because those imagine Austin corridors are certain areas in each council district so we certainly could satisfy them this way. Because it just depends on where we built the units ultimately. But we can take a look and just make sure that it doesn't look like the districts are way off in terms of how this has been allocated. We haven't allocated, like, specifically imagine Austin units, per se, I guess is what I mean.

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It's kind of all one -- there are affordability goals in each district and they can be built where they're built but the hope is we'll keep these three metrics in mind as we're thinking about where to put those projects. >> Alter: I'm just trying to put this together with a goal of imagine Austin to have the growth along those corridors and centers and and how this is in line with that. I understand the constraint that you're talking about, but if we're calculating it and it doesn't get us there, then it's not going to -- >> Maybe that's where Eric has discussion of some of the arch da criteria also might come into play in terms of where are we actually going to subsidize those units in the long run. >> Alter: Thank you. My second question goes back to what Mr. Casar was commenting about. So if I'm understanding correctly, these are new units. But then you also said that if you buy a unit that wasn't in the affordable housing system that it counts as a new unit in the way that you're thinking about it? >> Yeah. I mean, I think it's a little semantics clearly but I do think those preservation units, those 10,000 units called for that are primarily going to be -- currently market rate affordable units that can then be purchased and preserved as official, you know, sort of affordability restricted units. I think for me it makes sense to kind of include that in the set of production goals we are trying to achieve because they would otherwise -- the idea is that they're in areas that would otherwise have been no longer available at those affordable rates. So I think that they are -- I think there's a good case to be made that they are new to the affordable inventory. >> Alter: Okay. Because one of the things I'm very concerned about is I have one of these at-risk for gentrification district areas in my district near Austin oaks. It has been identified as at-risk. It has all sorts of apartments there that you have folks with low and

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moderate income living, but they're virtually all moderate -- they're virtually all market-rate affordable units. If we were to partner -- or to purchase -- purchasing some of those properties outreach to preserve some of their affordability is that a strategy that could be used to achieve the goals in the blueprint? That's what I'm trying to understand here. >> Yeah. I think we have been talking -- I think there's still a question around sort of city direct ownership of affordable units. We have talked a fair amount with -- we actually just had a conversation with affordable central Texas who are administering the affordable housing conservancy or strike fund around kind of their affordability preservation strategy, and that strike fund is the primary tool identified by the blueprint to achieve that preservation. And so they are targeting and 120% mfi but primarily trying to average below 80% mfi for across their portfolio for all of their units. And so I think that to me is one of the tools that's available for purchasing the units in that area and being able to preserve them. I think there are other questions on how much the city would like to be involved in additional preservation efforts, and I know Erica, you had some conversations around that, but I don't know -- I'm not sure exactly where we are with some of those. Again who "They" was? >> Sorry. >> Alter: You said there was a group doing it. >> Affordable central Texas. >> Casar: And before -- I'm trying to get us to the next item maybe in the next ten minutes or so. In summary the answer to councilmember alter's question is, yes, if bepreserve some of the units that will gentrify in district 10, that counts towards our 60,000? >> I believe, yes. I think that would count under this goal, yes. >> Casar: Councilmember kitchen. >> Kitchen: Just a quick one. So with -- and, again, just to understand how they have

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factors in play, again, going back to district 8, and I can pick on district 8 because they're not here, but I'm also just curious, because it's the lowest, and, again, I wouldn't understand -- I don't understand why. Can you help me? Just all I'm asking is what are the factors that's going on in that district that puts it so low in terms of the goals? >> Yeah. So if you look at the table on slide 25, yeah, the table in slide 25 really kind of sums up what -- the different factors we added up to achieve those goals. And so district 8 -- >> Kitchen: I see. >> -- 14% of the city's high opportunity area but it only has about 3% of the city's area near high frequency transit and also only about 3.5% of the city's imagine Austin Austin. >> Kitchen: So that's the factors. >> Yeah. >> Kitchen: Okay. So the point that councilmember Flannigan raised earlier about the impact of transit existing versus future and thinking about things like that, this is the table to look at where we can see the factors. I got it. >> This is the table to look at and we do have a spreadsheet that is available and provided in order to if things do change over time we can monitor those. >> Kitchen: I thought that his question about the levers, I think that that's something that's real important for us to understand what the policy levers are in this model. So that's it. >> Casar: Are there any remaining questions? I formulad my off the hook why she. I could probably best describe it with home ownership question. You might say in district 4 there isn't a home ownership gap for people under 120% mfi, but part of that may be

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because there are affordable condos for purchase at rundberg and Cameron road but off of, say, north loop, you know, you've got to be well over 120% mfi to be able to pay a mortgage on one of those houses. At least the ones that I've seen. And so I guess what I don't want to say is that there isn't a need, for example, for making sure we have opportunities for less than 120% mfi home ownership just because I happen to have rundberg and Cameron road, where you can purchase some reasonably priced housing. But because -- but then having to be off the hook in the other parts much my district from developing that there, using myself as an example. So I think there I just wonder how it is that we don't - - because we have a variety of housing markets sometimes within our own districts, how it is we don't say we don't have a goal for that given that in significant parts of my district you're locked out of home ownership if you're not at 120% mfi or above, for example. So just something to think about. And wrestle with. And I think the same probably goes for many of our districts, if not all of them. And then my other question related to the home ownership piece is since this is a ten-year plan if looking at our current rates of housing price rising, whether or not it is the case that in more than two of our districts we're going to be locked out at under 120% mfi of today's mfi, for example, over the course of this plan. And if that is -- if it's indeed the case that actually in aural of our districts we're going to be locked out or most of them, then perhaps you might want to push us harder on that point because it makes sense for us to start making -- or the changes we could potentially make to create

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more home ownership opportunities under 120% might be something that we should be considering if -- because right now you look at it and say, well, it's not so bad, but I think it is worse. And so helping us look at that would be helpful. >> Got it. >> Casar: And I generated a new question. [Laughter] >> Kitchen: No. I'd like to -- we can take this off-line but I'd like to have a conversation about how the percentage of high frequency transit was calculated. And I'd like to explore that lever, both the existing versus future, and I just want to note that district 6 has zero high capacity transit, which is, like -- you have a train. So I'm curious about how it comes out as zero. So in any case, I just want to -- I want to have an off-line conversation where we really dig into those numbers. >> Casar: I think it's high frequency is the -- is the note on high capacity so maybe you guys can work off-line to figure out how it is we address that. >> Kitchen: My point is just it doesn't -- these numbers may not really reflect the access that we're trying to talk about, and they certainly don't talk about the future. >> Flannigan: What might be valuable as direction from us to contemplate is whether or not a transit readiness score might be more complicated than just percent access to high frequency, right? Maybe you get a higher score if and you have access to is high frequency. You get a lower score if it's low frequency and different score if it's commuter, right? I only have one bus route that's not commuter. The rest of it is commuter. It only stops in one place. There's only one stop. So the stuff around the station should be super high valuable tod stuff, we never passed the high transit for lakeline. So I think maybe it would be more valuable to consider a transit score. I feel like even saying that out loud that that exists somewhere, but that's something to consider. >> Kitchen: Okay.

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>> Casar: Well, thanks to y'all so much for bringing this to us as you're baking it. I know that's a risk to do and you're tackling the problem that keeps so many of us up at night. So thanks for this effort because I do think that having a plan that keeps us accountable and shows us how far we are behind but shows us where our -- each of our goals should be is really helpful so we really appreciate your work. >> Thank you. >> Casar: And our next item under the rhda guidelines. >> Good afternoon, neighborhood housing and community development. Thank you for having us here. That is a fascinating conversation and follow-up questions and this is really timely that we're presenting to you. The updated -- where we are with updating our rental housing development assistance guidelines. Just so you all know to give you a little background, the rhda program has been around for 18 years. It is the primary mechanism that we use to solicit applications and to provide assistance to nonprofit and private for-profit housing developers to create and/or preserve affordable housing. Thank you. Since its inception, we have invested in more than 3300 units of deeply affordable housing, rental housing, and that includes housing at or below. Our limit is 50% median family income, so those are where our dollars invest. So more than 3300 units since its inception. On the August 23 agenda you are going to be considering three applications for rhda funding and I just wanted to give kind of an update and preview of those. This year, for the 9% competitive low-income housing tax credits we were very fortunate as a

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community to be awarded four low-income housing tax credits. I don't know if you all know this but typically we only receive about two tax credit applications each year. So this year, because of changes in our bond allocation as a result of some changes at the federal level, we're very excited, we have four award-winning tax credit applications which will result in 444 new affordable units, income-restricted units in the city of Austin. Three of those applied for rhda funding under our existing scoring guidelines. Those three will result in 226 deeply affordable units, so those are units at or below 50% median family income, that includes Waterloo terrace being developed by foundation communities, single-room occupancy, 132 units, includes housing first, so we're going to be meeting some of our housing first goals, 27 units of permanent housing. The second is cambrian, and that is 65 units, that includes three and 4-bedroom units, so family property, and right off Riverside so high capacity transit, proximity to high capacity transit. And then the third property is Travis flats being developed by dma development. Some of you may be familiar with, that's 146 units, and that's in partnership with the county, and that's on airport boulevard, also includes some family-sized units. We're really excited about these three properties and they'll be coming to you on the 23rd. Why are we here today? Well, our rhda guidelines and scoring criteria the last time they were updated was in 2011. We're using some outdated metrics, including one of them is, as was mentioned in

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the previous -- previous presentation is the cure one opportunity index, which is at this point outdated, doesn't take into consideration some rapid changes that are occurring in the city of Austin that each of you has mentioned in your city council districts. And so we have transitioned to opportunity 360, and that was also discussed previously but we're happy to go into that a little bit more. We've also since 2011 had some competing council priorities that have been handed down, priorities around permanent supportive housing okay, priorities around family friendly housing, priorities around high opportunity areas, around homestead preservation districts. We wanted to be able to capture those in the scoring guidelines, in the rhda guidelines and scoring criteria. In addition, perhaps most importantly, in 2017, council passed the strategic housing blueprint, which gives us very detailed goals, and now, as you just heard, also goals by city council district. So we knew that we needed to update our criteria and our scoring criteria and our guidelines. And so starting in January this year we kicked off that conversation with a stakeholder meeting, where we had more than 50 people attend to talk about really what they liked about the current rhda process and guidelines and scoring criteria, what they didn't like, what their priorities were. The representation we had at the January meeting ranged from housing developers, private for-profit, nonprofit developers, as well as variety of different interest groups, including tenants rights groups like Austin tenants council and Basta as well as homeless advocates, caritas, echo, and various other folks. We have subsequent to that

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in January met with individual groups and stakeholders, including Austin commission on seniors, homelessness advocates, and various stakeholders related to homelessness, and also accessibility advocates. And so as a result we are working on updating and changing the criteria and I'm going to pass it over to Jamie may, who is our community development manager and oversees this process and program. >> Good afternoon. I'm Jamie may. Oh, thank you. >> There. >> I'm new here. The current rhda process follows a fairly complex process. It is rolling submission deadline, which adds flexibility. However, it's very difficult to compare projects against one another. That's one of the things that we wanted to address. Essentially, the first one in the door may not always be the best project for our funds. After these -- after an application is submitted, staff will review and adjust the score depending on how they view the scoring guidelines. This could affect whether or not the project meets threshold. The scoring threshold to be funded ultimately. Also, this creates kind of a recursive process, which adds time to the development schedule. Now, if threshold is met then the financial manager will review and determine whether or not funds are available or what type of funds are available, and we feel that this is something that we can determine earlier on in process than after an application has been submitted. This also might add additional time because the applicant may need to revise their application, depending on the type of funding that they are being offered. After the finance has been determined, then staff panel reviews the applications for final verifications, looking for any red flags, and then sends a recommendation to the executive team. The executive team then reviews the application, looks for additional red flags, and sends a recommendation to the Austin housing finance committee board. In between that process, the

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housing bond review committee may review staff's work if a general obligation bonds are part of the offer. Under the best of circumstances, this process can take 12 weeks. We feel that there is ample room for improvement in this process. The current update, we have several advantages for this current update, as Mandy mentioned we have a strategic housing blueprint that gives us some guidance on what type of units we need, and where we need them. We also have the strategic direction 2023, which establishes economic opportunity and affordability as a strategic outcome. Additionally, since 2011 we've seen advances in technology, not only in mapping software but we have much stronger web presence now. We feel like there are several goals for this update, first to improve the clarity of the process, and of the application and the scoring process. Also to improve the ease of access for the development community and for staff as a whole. We feel like there is ample opportunity to improve efficiency and effectiveness of staff time in reviewing these applications. Just to turn to the strategic blueprint, I'm sure you recognize this graphic. You've seen it probably at every meeting. We have -- the strategic housing blueprint has established target number of housing units to be developed over next ten years and if the implementation plan is enacted you'll have targets per district. The rhda program funds units affordable for households below 50% mfi. And the citywide target is 20,000 units below 30% mfi and 25,000 units below 60% mfi. So we're using this as our target. Additionally, the strategic housing

blueprint establishes some geographic priorities, including 75% of affordable housing units within half a mile of imagine Austin corridors and centers, 25% of all affordable units should be within high opportunity areas, 25 in high frequency

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transit, and these are conversations that you'll continue to have with the implementation team. Blueprint also calls for geographic distribution of affordable housing to prevent economic segregation. So these are some of the priorities that we're looking at. We also have a set of priorities and initiatives that council has directed in the strategic blueprint, including 25% of affordable units should be accessible for individuals with mobility or sensory impairments, 25% of affordable units should have multiple bedrooms to serve families, and there should be creation of 100 permanent supportive housing units each year with 50 of those housing units dedicated to the housing-first program. Now we've proposed to use these metrics to score our rhda application. The number of units, how well those units are used to reach your goals, the geographic distribution of these units in terms of access to transit, proximity to high opportunity Zones, et cetera, and how well they hit the priorities that council has addressed for us, the accessibility, the family friendly priorities. We're going to combine these quantitative metrics with a underwriting quantitative metric, covering debt coverage ratio, leverage ratio for the rhda funds, et cetera. And establish a quantitative score of threshold. So if you meet the threshold, then you're in the bank. If you don't hit the threshold then maybe you should review your application to see where you can get more points. After we have cut off our deadline staff will review the applications for a qualitative score. These qualitative scores will address things like previous developments, overall proposal, what support services you're providing, how the development team functions, the management team. So a qualitative assessment of your overall application. The process will be shortened considerably. As opposed to a rolling deadline we're looking at quarterly submissions so

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that we can compare applications against one another. The staff panel will compare the applications and qualitative scores and make recommendations for funding. Then the executive team reviews those recommendations, the housing bond review them then reviews staff's work. And ultimately a final decision is made by the ahfc board. In comparing these two processes you can see that it is much more streamlined. It also gives developers assurances about the nhcd time line as opposed to guessing when they might receive an funding award letter. This establishes fixed dates so where we can call meetings much more easily and removes the recursivity from the process. If you don't hit threshold you don't hit threshold. Over the next several weeks we're going to be continuing to verify this process. As the most appropriate by looking at previous applications to score them. Whether or not they should have received funding or did receive funding. We will send our application and our scoring guidelines to all of our stakeholders and our partners and to the housing and planning committee to review to make sure

that you agree with our approach and for any feedback for revision. We do expecting to live in October, so we're moving at a relatively quick clip. And we expect the first qualify deadline to be in December of this year, coordinated with the 2019 2019 thcda low-income housing credits. That's where we are and look to be and I'd be happy to answer any questions for you. >> Casar: Committee members, any questions on this item? Looks like some folks are still working on materials. I have just a comment, which is that -- and this kind of to me merges a little bit with our next item on future council work, which is I think that streamlining this

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process and making it competitive, having people send in applications at the same time seems to make a lot of intuitive sense to me. So I appreciate y'all doing the work with the stakeholders to get us here. I do think that if the housing bond as proposed passes, there's -- I think we're going to need to be consistently monitoring how this works because things I'm sure will change because we'll have such a larger bucket of funds. And I think that our committee for our future items especially -- we can anticipate some of it this year but if this passes I think some of our work in the coming year is going to be helping y'all with the many tensions and pulls we're going to have with that large pool of money because we're going to need to distribute more money effectively and quickly to get instruments on the ground quicker than we're used to, we're going to want the process to be as competitive as possibly so folks don't because we have more money available they're not able to quickly access it because we have it. So we'll want it to be competitive but at the same time if we need more affordable housing on the ground at the same time, how we make sure that our awards are attractive enough that we have lots more people coming in to participate that maybe weren't participating before. And all of those things would have us do opposite things. Right? Getting money on the ground quicker but maybe it more competitive but bringing more -- all of those things I think are going to be intentioned and aren't easy decisions to make, and so I think this is a good starting point for us to set that baseline and appreciate that work, but I do think we can probably anticipate that we may be wanting to continue to talk about how it is we handle this if all of a sudden we have just a much larger scope of our work, which is exciting. It's a good problem to have. >> That is. >> Casar: I just think it's something we need to be up front about and start talking about. >> That is something we are anticipating so I think the timing is good in terms of updating our scoring

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criteria and guidelines in anticipation of really perhaps a larger amount of money that we would be working with. And also perhaps new partners who we haven't worked with in the past. A lot of the participants in the rhda program are very familiar names to y'all. It may be dma development or foundation communities, Guadalupe neighborhood development corporation. We have a lot of our tried and true partners from small community-based partners to larger nonprofits and that could of course change with a larger bond without a doubt. When you mentioned future housing and planning

committee meetings, I think one advantage of having this quarterly submission is perhaps aligning our housing and planning committee meetings and the quarterly submissions. Just to remind you, last January, we brought to you all of the 9% tax credit awards and we kind of -- this gives us an opportunity and a little bit more time than at a city council meeting to walk through some of the nuances of the applications and to perhaps have some more open discussion about some of these applications. And so I think having that quarterly submission and kind of timing it up and teeing it up with the housing and planning committee would be a great opportunity. >> Casar: It will be important for us to monitor and see do we want so many people applying that we're turning some folks down because we're asking for better projects or do we get to a place where we don't have enough people applying and we have enough money? So I think managing that will be -- >> Those will be -- >> Casar: It's not an easy thing but I think it's important for us to be deliberate. >> All things we'll need to monitor and manage. >> Casar: Vice chair alter. >> Alter: Maybe I should have asked this earlier but I'm getting a little confused because we're going out and asking for bond money for this bucket I want to make sure that there's clarity over what we're talking about in the process. So is this process -- it might be used in other settings . But were you talking about this mainly with regard to the low-income housing tax

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credits? >> No. >> Alter: Or was it for every use of the bond dollars and anything that falls under this bucket. >> I should have clarified is that to begin with. The rental housing development application is what developers apply to us in order to get funding. That funding ranges from local funding, whether it's general obligation bonds, housing trust fund, or federal funding, including cdbg and home. So when somebody applies to oust up front we don't necessarily know. It depends on the attributes of the project. We don't necessarily know what funding we're going marry up to the project. >> Alter: Sure. >> This is not dependent on the general obligation bonds. It would certainly make the pool of funding significantly larger if there were no general obligation bonds, then we would be working districtly with our local funding, housing trust fund, and our federal funding. >> Alter: Okay. So anything under that bucket? >> Anything under that -- this is all for rental housing. We have a separate bucket that is for -- the program is called acquisition and development or a&d for ownership housing. Significantly smaller. We utilize, again, federal funds and general obligation bonds for that bucket of funding and we're working on updating those scoring criteria and guidelines as well at the same time. It's kind of a parallel process, but that is for the creation of home ownership housing. >> One thing that I want to point out when we're looking at the process, we're adding a step for all of those funding sources. To go to what has traditionally just been the housing bond review committee. So we're -- in an effort to promote transparency, we're going to take -- our desire is to take any project that's coming through for rental housing development assistance funding, whether it's bond funding or local -- some other local funding or federal funding, all of those projects are going to go through that committee so we can get their perspective as well. >> Alter: Okay.

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So if we -- so if we take the ones that are getting the tax credits, they would go through this process? >> Correct. >> Absolutely. >> Alter: And any one of those projects could also potentially be eligible for other pots of money? >> So they would apply for a tax credit -- a tax credit developer would apply for the rental housing development assistance through the rental housing development assistance program but we also have smaller nonprofits that apply for funding, as I mentioned Guadalupe, Clarksville, blackland, CDC, we have a variety of community-based nonprofits. The funding is used for affordable rental housing, so regardless of -- >> Alter: To build. >> To build and/or preserve. >> Alter: Build or preserve, okay. >> It can be used to acquire, and we have used that in the past, to acquire and preserve housing. But our funding only goes through the rhda program, whether it's federal funding or local funding, to units at or below 50% median family income. So we often, including with our tax credit projects, those are often mixed income, including some market-rate units. Our funding is restricted to at or below 50% median family income. If that makes sense. >> Alter: Okay. So if we can just try to make a habit of when we're talking about this to be clear what we're doing because there's quite a bit of confusion about what we're subsidizing and whether we're subsidizing rent or we're subsidizing the ability to build or preserve rental housing. And we need to make sure that we're communicating the latter. >> Absolutely. >> Alter: Clearly. >> The dollars are used for sticks and bricks, for the actual construction of the units or the acquisition and rehabilitation of the units. We have other programs, not to confuse, where we do provide rental assistance. And we utilize local funds for that, not general obligation bonds. It is not -- you don't apply through this particular program. >> Alter: Thank you.

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>> Renteria[off mic] >> Casar: I think we don't have any questions left. Thank you all for your work on this. >> Thank you. >> Casar: I think our last item is to talk about future items. Councilmember Renteria. >> Renteria: Yes, I asked for some feedback, and I got some feedback about the homestead preservation reinvestment tax increment fund, and what I want to know, if you can come back to us about what's the process that we're going to have to do to create the board? Is it going to be part of the housing program? Is it going to be an independent board? I don't know what kind of recommendation, you know -- is it going to be over at -- are we going to overlook the funds like we do the housing? And we recess. So I just need to get that information. >> Yeah, we can bring that information back. >> Renteria: I just want a report on there that by the end of 2017-18 property tax revenue we're probably going to go about \$740,000 in there. But we can spend it yet until we create the board. >> Casar: Is there a staff recommendation to create -- do you all have already action items we need to take in order to create the board to be able to expend the money? >> I don't think there are any action items that need to be taken up. We're working with our financial services department on that. And we'll bring an update on the next steps associated. >> Casar: Okay. Maybe we'll write that down for potentially just a report back, whenever our next meeting it, that would make sense. Anything else? Yeah, and I already sort of mentioned during the last item that I do think we should think through if there are -- if there's work that we want to get done as a committee before November in case it does -- things do pass. In case thinkings do pass that we would be happy to have our pre worked, so we'll just keep thinking about what if any work

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we want to do before November, just so if the voters choose to pass the bonds we've already started thinking and setting a process up to make sure there's adequate oversight and things are executed well. >> If I might give you a heads-up about year item that might be coming to the housing committee. Last night at the community development commission and this morning at audit and finance committee they were considering bye law changes, specifically one of the items relates to the selection of certain members of the tripartite council that governs community services block grant funds administered through the health department. One of the conversations with around potentially having a council committee or committees nominate specific members to the full council for confirmation to serve on the community development commission, so that might be something that comes forward at your September housing committee meeting. >> Is they adopt by laws as written this committee would nominate -- >> Potentially. There's some discussion about the numbers and whether it would be some number of, I think there's seven that would be composed of that section of the tripartite council and how many would come from this committee as nomination, how many come from the health committee as nominations and that will be worked out between now and when it goes to the full council which I believe is on the 23rd. >> Great, we'll be ready to do that and hopefully do that quickly. Thanks. And I'll adjourn the meeting if there's no objection and there isn't. Thanks to everybody.

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