

Regional Affordability Committee Meeting Transcript – 11/19/2018

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[3:05:17 PM]

>> Good afternoon. I'm Delia Garza, chair of the regional mobility committee. Today is Monday, November 19. We're meeting in the boards and commission room in city hall. I want to welcome our newest member from aisd. Thank you for joining us. I know one of our presenters has to be gone so I'll entertain a motion to approve the minutes.

>> Move approval.

>> Motion made by commissioner Shea, seconded by Nora Comstock. All in favor? The second -- we have citizens communications next, and one speaker, sherry Taylor. Ms. Taylor, you have three minutes. Is Ms. Taylor here? Oh.

>> Good afternoon.

>> Did you want to stand? You can sit. It's totally up to you.

>> Thank you. I'm finished growing by now.

>> Okay.

>> Thank you. Good afternoon. Thank you for allowing me to speak. My name is sherry Taylor. I happen to be a volunteer, retired, and I spend a lot of time at a police called community first -- place called community first, 9301 hogeye road and I'm excited about being out there. People tell me do you live out there, do you work out there? No. My car automatically turns its way out there because it's such a wonderful experience to work out there in hope more people will come out and visit the village of lights and contribute to the atmosphere of community.

[3:07:25 PM]

I also volunteer with capital idea. I'm not an employee of capital idea, I think it's a fantastic idea just like the NFL armchair quarterbacks that root for the Dallas cowboys and beat people up about who is going to win, but they don't work for the Dallas cowboys, but they promote the Dallas cowboys. I just like to promote the capital idea of allowing opportunity, the birthright opportunity of residents in Travis county to go to school for free, free books, free tuition, but what's different than the Pell grant and the G.I. Bill was that they get free child care and a dedicated case manager. So that they have a support system that keeps up with what they are supposed to do, but not as a -- annoyance, but as a bridge to the education that they didn't get on the first time through. So I would like to commend them on that. Last but not least, I wanted to bring you a holiday greeting. As you can see there, and you fold this down and it reads -- I'll have to read it. The good news is you'll be spending Thanksgiving with a large group of happy people.

[Laughter] That's the message from the fortune teller. And then on the back everybody is a fan of snoopy and woodstock. So thank you for your time. I did have another issue that I will be taking up with the department of education office of civil rights. I'm taking a class. I am an ACC student and proud to say I won third place on Friday night in their talent show out of 13 campuses, I was a walk-on and they loved my jokes and they loved my birth date telepathy.

[3:09:34 PM]

So I'm glad to say that things are going well and this program, this coming up --

[buzzer sounding]

-- On the 22nd of January asking people to come out and support ACC at the east campus auditorium with song, with spoken word, with choirs to participate in racial -- racial healing.

>> Thank you, Ms. Taylor. Have a happy Thanksgiving.

>> Absolutely. Congratulations.

>> Thank you for all you do to volunteer in our community.

>> So I have an agenda that has item 9 as the briefing on affordable house and then I have an end as number 5.

>> It's number 6. That one is the agenda to be discussed [inaudible].

[No mic on] It's item number 6.

>> The other agenda was not the one that was posted?

>> It's for you guys to disc it's what we talked about in terms of rearranging the agenda to kind of better fit with the strategic plan.

>> So the real agenda did have the correct 3:00 P.M. Time.

>> Yes, the real agenda did.

>> A little confusion then. So we're going to go ahead and take up staff briefing number 6 because I understand some of those people have to leave soon. So if you all want to come up. And this is the briefing and discussion on affordable housing and transportation land use policies. If you can all introduce yourselves.

[3:11:35 PM]

>> Mandy Demayo, city of Austin neighborhood development.

>> Christie Moffett, Travis county health and human services.

>> Turn your mics on. See the red light? Thanks. This is different.

>> Kathy Stevens with Travis county transportation and natural resources.

>> Robert Spiller with Austin transportation department.

>> So I think because I know the folks at Travis county need to leave.

>> By 3:00, I was going to let them go first and then I have some slides and we'll take it from there.

>> Okay. So good afternoon. I don't know you can hear me, my name is Christie Moffett, planning manager for the community block grant in Travis county. We were asked to talk a little about the policy that Travis county has with regard to affordability and transit. And so the short answer is that the county does not have a specific policy with regard to affordable housing and its proximity to transit. The commissioners court approved a policy in November of 2017 that created chapter 277, and it created the affordable and fair housing policy and procedures. And subchapter B covered resolutions of no objection. As a part of that, the cdbg -- there's not a slide about this. Part of what the cdbg staff does, when receive a resolution of no objection from a developer and a housing finance corporation that want to move forward with a tax credit project, we take a look at the project holistically. Transit is one piece of a larger puzzle. So we look at lots of different things. How the schools are performing, we look at its proximity to existing transit.

[3:13:42 PM]

We look at our economic development department. They have -- they have -- we stay in contact with them to understand where development corridors are building and we take a look and determine whether or not we feel like that project is a good place to put housing. So our focus is mostly in the etj and in the unincorporated areas of the county, and so that is why we leave it a little flexible. As many of you know, transit in the unincorporated areas is very sparse. And so as we look at those things, we have a transit development plan that the county just approved this past -- is it this summer?

>> Summer.

>> This past summer. I was on the steering committee for that plan and, you know, understand what that plan is. Kathy is going to talk more about that. But in terms of, you know, just affordable housing and transit with regard to policy, at this point we're looking at it in a concept -- or under the construct of opportunity and really trying to understand how that affordable housing development really inter plays with the area as a whole.

>> Okay. And I will just go right ahead and talk about our transit development plans. And you see on the first slide, this is a map that shows the transit gaps that are in the county. And these are gaps that are in the census urbanized area, which is very important, they are also in the unincorporated area, but they are not in cap metro or cart service area so they have no transit at all, and those are shown in yellow on the map, the largest ones. We worked with capital metro and cart to form a transit development plan, and this allows us to address transit service in the gap areas.

[3:15:44 PM]

We have a three-year plan. Cap metro allocates federal funding to us for this plan based on the population of the census urbanized area, and then we provide matching funds. For operations, the match for the county is 60% for capital or planning, it's 20%. And the census urbanized area and 2 amount -- and the amount of funding is revised every ten Y with the census. So this next slide shows the gap areas, again, these are the major gap areas. I will say there are some small, little gap areas that you can't see and we do have a little flexibility to address those as long as they are in the urbanized area. But this shows our gap areas and the types of projects that we're going to do moving forward. And then we have the actual projects for this first plan listed out here on this slide. So in fiscal year 19, we're looking at manor area mobility on demand. That's similar to what the pilot program that cap metro did in Mueller areas as well as central health is running some pilots to provide medical trips. We're looking at in western Travis county they are working with cap metro to do vehicle grants so they can get vehicles and run their own programs. We're analyzing the del valle route extension with the intent of then extending that route in fy-20. Doing official outreach, and that's pretty much it. The Hornsby -- then in fy-20, Hornsby bend mobility on demand pilot, we actually found we're able to move that up so we'll be doing both the manor area and Hornsby bend in June of this year, starting those. We'll extend the del valle route and then do anasis on additional route extension. And then in fy-21, putting a bus stop at community first and then implementing the next priority route extension if viable.

[3:17:52 PM]

And it's probably important to note as well that our federal funding we get annually is \$221,422. That's the federal share. So this money doesn't go a very long way. We expect that will probably be increased with the next census, but also the area that we'll need to serve wi be increased as well so it will be an ongoing challenge to provide the best service that we can. That's a very quick overview. Happy to answer any questions.

>> I just -- I just wanted to provide context, why we're having this presentation. Council gets items on our agenda asking us to give a -- I guess kind of a yes, we don't disagree with this affordable housing project, and we've gotten some recently that they are outside capital metro service area. Some on council have expressed concerns about putting affordable housing projects in areas that don't have cap metro service. And so we're trying to -- I think this is one of the great things about this committee is that we have representatives from all different government entities to talk through maybe how we work on a policy together so we're making sure that, personally, I want our folks that can -- that are looking for affordable housing options, especially new developments, have the ability to also access transportation because we all know that that is a big cost part of people's, you know, budgets. Because we all have to say affordability, it's not just rent and mortgage, it's all the other costs, housing, transportation and child care are most expensive for people's budgets. I wanted to provide that context. Specific to the tdp projects, so when the feds -- I'm sorry, I should have opened up for questions, but since I'm the chair, when the feds provide that extra funding and the county matches -- the county also gives extra -- is it extending a current route just further or is it creating a whole new route?

[3:19:14 PM]

What is it funding exactly?

>> It could be either of those. We sit down and do a very detailed analysis on what we think would be the best at this time. For example, in the del valle area, since there already is a route that goes into the del valle area, extending that route makes more sense. It could be a new route. We haven't run into that yet, but we're seeing a lot of places because we don't have the density in a lot of the counties that's really needed for a bus route, that these mobility on demand pilots are probably really going to be the way to go. And that's where we would be able to call or use an app to get somebody to pick you up within 15 minutes. There's a designated zone that this pilot would serve, and that also will get to you a capital metro bus stop so you can access the rest of the system so you could go anywhere within that zone, and they are designed where you could go to the grocery store or basic needs, but as well access the bigger capital metro system by using this. So those are the two main things we've seen so far, but we sit down with capital metro and cart and analyze what we think would work the best and take it from there.

>> If I may, I think the difference when -- when we talk about the county and it's foray did affordable housing, I think the city of Austin is further along. It has a comprehensive housing market study that identifies gaps and how much housing is needed, at what income levels and geographically where that needs to happen. I think also we have done some work on tools that we can use to help fund or cr affordability. And what we have found is the county cannot use general obligation bonds to create funding for affordable housing, but we can issue certificates of occupancy.

[3:21:18 PM]

And so as we've gone through this process, we're really -- I'm sorry, occupancy. What is wrong with me? Obligation. I'm thinking about construction.

>> I know. I know.

>> I apologize. Cos, yes. And so what happens is that we tend to have more finite resources than the city would in terms of creation of affordable housing. So what has been really exciting for us is we've had community development block grant funds since 2006. We have focused a lot on really trying to improve infrastructure, also pushing out social services areas because most are geographically located and the city of Austin. How do we create systems to push services to people who feel isolated. But we're -- in our 13th year of cdbg and we have been able to partner with the city on two big studies. So the analysis of impediments to fair housing choice. That will update our current ai that we have and really help us with regard to fair housing and what that looks like. And then a going to have the first comprehensive housing market study that just doesn't cover the city of Austin, but all of Travis county. And that's a really big deal. Right now we know the gaps that are existing in the city of Austin, but we don't have those numbers for Travis county. And so the -- the hope is by the time the county does the consolidated plan and it gets approved in August of 2019, that we will have for the first time true affordable housing goals. In terms of by zip code. So they are even going to be using a similar neighborhood model that the city of Austin has used in their most recent comprehensive market study, and we feel like this is really going to help us collaborate more.

[3:23:31 PM]

That we're going to be able to talk more openly about this is what we need and why or these are the areas that we need to purchase land while it's cheaper and hold on to it and wait for an area to transition and develop more. And so I feel like I've had to say to lots of people we just need to wait for the information and the data, but I feel really strongly about that. We've got -- there are a ton of developers interested in the etj, and we're trying to do the best that we can in terms of decision making regarding what needs to go where. Right now we've really been trying to focus on encouraging development as close to the city of Austin boundaries as possible to stay in alignment with imagine Austin's compact and connected. And so -- and also to really kind of deal with the idea of sprawl. And how do we make sure that people who are at the lower income strata, how do we make sure we're not placing them in far-flung areas that we already know is there's some isolation there. So understanding all of that, I think we're going to be in a much better position to have some more rich and robust conversations around policy because we're going to have really good data soon. That expands beyond the city of Austin incorporated boundaries. So I just wanted to give that context as well.

>> Just a quick question. When you said you can't use G.O. Bonds is that because the county has never done an affordable housing referendum or --

>> We don't have the authority to do it.

>> Like the courthouse.

>> And transportation.

>> So those are questions that are outside of my knowledge base. We have had a legal opinion from our bond counsel as well as our county attorney's office that have indicated that we are not allowed to use G.O. Bonds for affordable housing.

[3:25:35 PM]

>> They can for other things.

>> I think what she's saying is that clearly they can use general obligation bonds for other things and have, such as roads and others, but it seems what your bond counsel is saying is you cannot use G.O. Bonds for affordable housing.

>> Correct.

>> State law places a lot more limitation on counties than on cities. It would be good to see that. And could get that --

>> We can get tt.

>> That would be helpful to read.

>> Even the C.O.S, we're limited what we can use those dollars for. I can get that information to you.

>> I'm going to open up for questions, but I appreciate that perspective and I totally understand why developers are wanting to build in the etj, it makes sense since the land cheaper, but it has to all be -- when you think about the services that need to be provided at that point when there's no grocery stores and infrastructure, fire stations, you know, we just had an item here at council where we were five fire stations behind because of sprawl and having to -- and so it's all those costs together that I hope we can all get on the same page about. Affordability and even though the land is cheaper and the rent might be cheaper, it's still expensive to build fire stations and police stations and all that extra infrastructure. I'll start with Sherri and then whoever wants to ask.

>> I'm going to be concise. I want to thank you for working with central health on the mobility project. It's really critical. What we're finding in so many of these areas people are moving east at a faster pace than our infrastructure. Whether it's transportation or food or some of these other areas. So in central health we have a claim right now where we're standing up clinics in the eastern crescent and doing a lot on transportation.

[3:27:38 PM]

Also -- a lot on transportation. The board of central health at our last strategic planning committee we had folks from the county, the city, central health, Dell med, anybody and everybody who is doing anything in the space of transportation and health care, because I kept hearing about these one-off

pilots and projects and whatnot, so we're trying to coordinate at least within our space all of this planning and maximize our dollars of leverage as far as opportunities for transportation and access to health care. I will say on your point, madame chair, it is a real issue. We have to look at the total costs including transportation. I know I'm on the housing bond review committee also and something we struggle with and we're looking at, Mandy may be talking about this, new criteria for how these score when they come in and it becomes difficult when you see an area that might be hyperactivity but not as far as transportation and heavy balance. So I understand your concerns. Thank you all.

>> Jamie Mathias from the school board. Looking forward to working with you. I'm glad to see the mobility on demand apps as part of this. I mean especially in central Texas. We consider ourselves a high-tech capital and innovative city so glad to see thinking outside of the box and going with new ways of imagining transportation. The experience two weeks ago with the meeting at cap metro was in light of the bus route that was cut to that school community. Piling a mobility app for that school community which is tremendous. The concern raised by the community how it is persons with less means access those apps. We're presuming it takes a smart phone, for instance, to have access to mobility on demand app. We'll look forward, at least I personally look forward to data on how it is that these apps are serving those persons need these apps.

[3:29:44 PM]

>> Well, and it's my understanding, and Eric may want to chime in, particularly if you are using fta funding, you cannot only use the app, you have to have a call-in number. If you can't use an app, can you still call in on the telephone. Same thing.

>> Central health did with the ride Austin pilot. He does bring up a good point. Just because you have a smart phone doesn't mean you can afford to have a data plan. I did a full year research project with students last year, I'll forward it to the committee, but that's one of the issues we looked at.

>> Appreciate it.

>> Ann?

>> Yes, and those pilots cap metro is doing do have telephone access. The comment is that did I understand the challenges when Travis county the looking at housing in the etj -- not etj, but looking at housing for the grants. I would just really encourage the county to think about making access to transportation a priority and one that perhaps we can help with. We meaning the city, we meaning cap metro. Because the problem is, as sherry said, people are moving out faster than infrastructure. Once it's there, if we don't -- if we aren't thinking about the connection with transportation we're going to lose the opportunity. There may be things as a community we can coordinate with so it's not just all on Travis county's shoulder when you are looking at those projects to approve. So and the other thing to thin out too, I know you all are, but transit is not just a bus. There's all these other kinds of innovative options, first and last M stuff that we're trying to work on. Then my question for you is, on your handout where you've got the time line for the tdp projects, I'm wanting to understand, and you can tell me now or off

line if you need to think about it, but 7 and 8 are not listed for route extension analysis until fiscal year 20.

[3:31:02 PM]

I would like to understand if there is something we can do to be helpful to move up the analysis till next year. I understand it's not -- those areas in south Austin are not the first priority and I'm in full support of the priority for rolling these out. We talked about them at cap metro. But 2021 is a couple years away before we can even consider those south Austin areas. And so I'd like to be a partner, if I can, in helping us think about how we can at least do the analysis for 7 and 8 and possibly 6, but especially 7 and 8 sooner. So perhaps we can have some conversation about how to perhaps do that analysis sooner.

>> We can certainly take that back and talk to capital metro and see what we could do. We have a little bit of flexibility and so there was one bus stop that there was a little donut hole off slaughter lane surrounded by the city on both sides, a manufactured home community, and they were watching the bus go right by, and we have been able to make arrangements for the county will actually put a bus stop at that mobile home park so they will get service. We have a little flexibility, but a lot of this is funding based and prioritize where we saw T greatest need.

>> I don't want to pull away -- I'm not trying to change priorities. I'm just thinking about how to make that faster. Let's talk about that and talk to cap metro about that too.

>> I did want to say, first of all, congratulations on the affordable housing bond passing and I think actually there's a real opportunity, and this committee or maybe even the subcommittee of this group might be able to meet more upon might be able to look for creative ways that the city and the county could work together.

[3:33:09 PM]

We are -- we have in our plans the process for setting aside affordable housing funds for many pid bonds that are sold and is a requirement now of our pid policy that the developers set aside either 10% of the bond sale or do housing in lieu of, and so far I don't think any of them have a interest building affordable housing on their sites. None of them I think has any expertise in that area and it's complicated. And so that's why they are getting a choice to put funds into a set-aside fund in lieu of. So I think -- I don't know what the time horizon is on it, but over the next few years we'll start to accumulate money the county can put forwards affordable housing and I would like to look at ways we can do that. Some of us have been exploring that on the joint committee, the city, county and school district, and we keep running into lists of barriers. And I think that aside we all have a real commitment to try and explore ways we can move forward, it's just not as clear what they are. But in this case we will have funds at the county level and we will be looking for partnerships to move forward with affordable housing. The other item is -- Kathy, you might give more context, the county has applied or we are in the process of applying for

federal transit funds. Where are we in that process, and am I understanding correctly that would increase the amount of money that we might have to spend rather than just 221,000 a year, we could potentially have more or help me understand that.

>> We did apply in partner with the city of pflugerville, this is for a different federal money, this is 5310 money that is specifically for seniors and disabled, and we did apply jointly with city of pflugerville to campo for a project.

[3:35:22 PM]

We have 13 dialysis patients that cart has been transporting, but they are not in cart service area and so we are applying to get funding for carts to be able to continue serving these 13 people. We should hear probably at the next campo board meeting whether not that application was successful.

>> But I thought we were also going after a larger pot of money from the feds for transportation planning outside the cap metro service area in the county, and we had begun a large public outreach process. Shirelln walker was heading it up.

>> Tdp.

>> It just works -- is that over five years or --

>> That will apply -- the 221,000 a year will apply until the 2020 census is recalculated. They recalculate the urbanized area and redo the formulas. We would expect at that point that the urbanized area is going to grow, but the -- we don't expect the incorporated area to grow proportionately, so we will see a bigger area that is urbanized yet unincorporated that would fall into our gap areas that we would need to serve. We would get more funding, but we'll also have more area that needs service.

>> Would we need to go through a similar kind of process to reach out to the community and document the interest and the need, et cetera? Or would it automatically increase as the census adjusts the tract? It will increase, that will- be incorporated into the process.

>> When will they finish that 2020 census? 22?

>> Probably 2022 you would see the results.

>> So we may be expecting more funds available through the county for this kind of transit.

[3:37:23 PM]

Thank you.

>> But they have a lot fewer -- the census department has a lot fewer resources.

>> At the county.

>> Than they had ten years ago. And it is being operated out of Houston this time instead of the Austin area. So, you know, yeah, it has been downsized significantly.

>> Travis county or campo?

>> No, no, census. Yeah, uh-huh. So I don't expect as many resources. I think things that have been happening with I.C.E. Over the last couple of years is going to be a certain amount of suspicion. I fear that our numbers aren't going to be as thorough as they might. So we might be thinking about how we address that. But when we look at our realities, and we try to work with the tdp, that addresses 78724 and 78725 by thinking about what our carts population looks like, our capital area rural transit system folks look like because as we grow and urbanize, we'll lose access over time to some of those dollars. So I think through addressing health and safety needs and special populations, that will give us a need whether it's \$5,310 or other dollars to address needs we see on the ground. But also, you know, you look at the routes that have been impacted in just northeastern Travis county. 14 routes were rewritten. And so we've had three of them come back to, the St. David's, the Loyola and the baum road, which serves east side. But we do need a greater planning effort over time because when you look at the city demographer's numbers we have almost 150,000 people that can't afford to live in Austin anymore, and they are going out into unincorporated areas, oftentimes without access to transit and transportation.

[3:39:35 PM]

So I think we can begin to address some of those problems by looking at health care needs and the populations that are moving into those areas. But we have to have a comprehensive process that allows us to address the needs of families who are being pushed out because they can't afford to live in anyone anymore. Not everybody can afford a \$400,000 house anymore.

>> I just want to say that's not the average homerice in Austin. There's a lot of -- there's a lot of homes below that.

>> We heard -- we heard 384, but who is counting.

[Multiple voices]

>> 190s still.

>> Let's just say over 300.

>> I know you guys have to go. Thanking you for being here.

>> Thank you for letting us go first.

>> Thank you for the wonderful work you are doing.

>> And to commissioner Shea's point, as you all are walking out, we have a housing committee so maybe there's an opportunity because we talked at the city level how we're excited about this 250 million in affordable housing housing bonds and how we're going to award those, so to speak, and we do need to

work on a policy that addresses transportation and all that kind of stuff. Maybe in that conversation we can bring the county in as well so we're all on the same page.

>> I think it would be really valuable. There are innovative proposals that are coming before the staff at the county and presume they are being brought to the city and I'm sure staff would be happy to -- we want to try to maximize those dollars and if we pool them, I think we can have them go further.

>> Let's make sure.

>> I'll talk to you all off line, but it occurs to me as I'm sitting here about potential research possibilities that I maybe could help you with that would include the city and the county.

[3:41:39 PM]

>> Perfect.

>> Mandy.

>> Mandy Demayo. I will say one of the advantages of us thinking the meeting started at 2:00 was it gave us the opportunity, we had great collaboration with Christie and Kathy beforehand talking about -- and Jamie may who runs our rental housing assistance program, kind of figuring out what their processes were. It gave us an hour to coordinate and figure out some future conversations around policies and programs. I did want to go through kind of past, present, future affordable housing siting and our programs and policies around affordable housing. And just let me know if you have all questions or keep them until the end, that's fine. But I wanted to start with our strategic -- Austin strategic housing blueprint which many of you are familiar with. It was adopted in 2017. It's amendment to the imagine Austin comprehensive plan. It's very important because it provides both our affordable housing goals as well as our strategies to reach those goals. The draft implementation plan should be released today by the close of business today, which we're really excited about. There's going to be about 30 days for public comment and then it will be going forward the our husbanding planning committee and city council. The things I wanted to draw your attention to are -- Christie had mentioned this, we have done an exhaustive amount of studying otherwise the gaps and need for affordable housing. The blueprint calls for 6 on thousand units to be created or preserved over the next ten years and those are units below market. At 80% median family income or below, and you can see in the -- below, the dark, Orange and blue provide different details on different income cohorts and the number of units we should be creating at different income levels based on need.

[3:43:46 PM]

The thing I want to point out is that the implementation plan for the strategic housing blueprint is going to include city council district goals, so each city council district will have unique goals around the number of units that they need to provide over the next ten years. What those median family income

levels are based on their missing median family income in their districts. In addition we have very specific goals related to transit including 25% of affordable housing should be within one quarter mile of high frequency transit. 75% of affordable housing should be within three-quarters of a mile of local fixed route service. And 25% of our new income restricted housing should be within high opportunity areas. So this speaks to a lot of the things that we're talking about today in terms of connecting [inaudible]. I also want to bring up our smart housing program which has been around since the early 2000s. And it's an incentive program for affordable housing that provides fee waivers. It is in dire need of recalibration. But that does require in order to be smart housing certified, that requires that the housing that is being proposed be within a half mile of public transportation. The other thing I want to point to are the strategic housing community values. We have five values that all of our goals are deeply embedded in. And all of the strategies and actions fit into one of these five identified key community values. But I want to really draw your attention to equitable, integrated and diverse communities. That's something that guide the city of Austin with respect to affordable housing. And how that really dove tails with fair housing choice. Christie mentioned the analysis of impediments and we are in process and coordination with the county on launching the analysis of impediments.

[3:45:49 PM]

We anticipate they will be stakeholder process and the draft will be released in the spring with the final adopted by city council the summer of 2019. Challenges. I think we're all pretty familiar with the challenges, but I'm going to go over them briefly because I think it is really important, particularly as we're talking about the context why we're here and the particular project that councilmember Garza referred to that kind of brought this issue of housing and transit to light. First, important context as you know all, huge demand for affordable housing. And high demand. Policy makers had put in a difficult position because they are not really in a position to deny affordable housing considering the enormous amount of need that we have. As councilmember Garza brought up, high land costs, land costs dictate where affordable housing goes. Our transportation network is always always in a I alignment of -- getting housing in high opportunity areas, but connecting housing and transit. If you look at our transportation network for a variety of reasons, our transportation network really does not extend far into west Austin or where we would consider traditional high opportunity areas. Limited resources. We have declining federal investment and certainly listening to the county's resources around affordable housing, very limited resources for affordable housing, kleining federal investment, and in terms of our low income taxing credits which are the biggest producer of affordable housing are 9% low income tax credits admired by the state housing finance agency, are very limited. It's a competitive process. We were incredibly unfortunate to have gotten four low-income housing tax credits.

[3:47:54 PM]

In a typical year we get two. They are producing a couple hundred, this year we'll be getting 444 units which we're thrilled with. In terms of producing affordable housing, really a lot of burden lays on our no

one competitive 4% low-income tax credits. Rolling deadline through the state. It's not an annual deadline like the 9% tax credits. They provide really a limited amount of equity and so the gap can be really large. It can be a fairly significant amount of debt. Limited equity in order to really make these projects pencil out, we often find definiteliers need to target these into qcts or ddas, which are difficult to develop areas. That gives them boost in tax credits so gives a little more equity which makes projects more feasible. These are typically larger projects. The average size is around 250 units. And also bre very concerned about cost, we don't have instructed parking, they are tipped more garden style apartments. As a result of all of these things, you are typically not gng to find a 4% tax credit deal in a downtown area. They've really lend themselves to lower density areas. And that's a challenge. We need to figure out how to get our 4% in areas where we as a community really want those 4% and those affordable housing tax I.T.S.

-- Credits. You all and I don't know because I can't see this, hopefully you can see the green dots, but I'm going to give you the highlights. This is a map of all of our 4% tax credits over the last four years. The green dots show the 4% low-income housing credits. The hot pink is transportation network.

[3:49:55 PM]

I have to say I was -- I had somebody in our office pull this together because I'm not capable of layering and I have to say this was surprising the results because despite the challenges that we have, we've actually been fairly successful in getting our 4% tax credits in proximity to our transportation network. This is is not what I expected to see. 78% of our low-income tax projects in the last four years are within a half mile of a cap metro route. There's a big cough caveat. Half mile as the crow flies. Fairly large caveat, but within proximity, which I think is pretty good. And I'm happy -- if you can't see the green dots, and I went over with our real estate folks today where the green dots were that are kind of outside of the pink, and they are all projects that we're probably familiar with because they were some of our more controversial projects that stick out in our minds. Where they are, our city council, I don't know about county commissioners, but city council expressed concerns these are projects disconnected from services and disconnected from transportation. So we went through and kind of identified each of those projects, and one of those is the project that just came before city council two weeks ago. I think you are pointing to it right now. I can't see from here, but -- Mckinney falls, limestone ridge. And the project -- it was a senior development, that is correct. Or it is a senior development, 4% low-income housing tax credit development. And it is not as the crow flies, 1.2 miles to the nearest transportation stop.

[3:51:56 PM]

So I want to talk about strategies. Okay. As I mentioned, we have the strategic housing blueprint implementation plan. We have very specific goals, we'll be releasing that today if it hasn't been released already. Very specific goals which really align housing and transportation within the city of Austin again, the strategic housing blueprint guides our investment within the city of Austin. We have the housing

transit action -- housing transit jobs action team, htj, which has been around since 2014. That was created in anticipation of an F Ta, the new starts award for rail, and really across departmental including cap metro effort to kind of align our policies and strategies around ability and transportation. That is currently in existence. That doesn't deal with project specific. They are not -- you know, wringing their hands over specific projects, but looking at policy level decisions and how we can align all of our strategies. As has already been mentioned, we have the 2018 affordable housing bonds I'm going to talk about in a little bit. Which include buckets of funding for rhda, rental housing development assistance where we have the ability to incentivize projects in areas where we want them. We have a new bucket of funding in the 2018 for land acquisition. Cap metro's 2025 and their priority tool. These are all things that are coming online and have the opportunity to really align housing and transit. We also have a strong community interest in preservation of existing -- existing affordable housing and recommendations from the U.T. -- The uprooted report and the anti-displacement and gentrification task force.

[3:53:56 PM]

I want to talk a little about things we've done already in looking at our 4% tax credits. You may recall back in 2017 we had a resolution from city council that directed us to look at ways in which we could site our 4% low-income properties in more desirable areas. We gathered together a stakeholder group in November of 2017, I think, and came up with a variety of recommendations. Including additional subsidy. City providing land, expedited review, regulatory waivers, and/or partnerships. We do have a couple of examples of partnerships with nonprofit and for-profit developments where the city of Austin, our housing finance corporation, is in partnership with those developers. We get to drive the bus a little bit in those situations. We actually own the land in those situations and provide property tax relief for those properties in exchange for affordability. We are currently working with a group of graduate students from Liz Mueller's community -- crp, community and regional planning program. And we are working with them to explore ways in which we can incentivize affordable housing tax credits in areas that we as a community deem most desirable, whether it's high opportunity or connected to transit. So we're looking at potentially graduated levels of support, whether it's a resolution of no objection, a resolution of support or resolution of support tied with some sort of subsidy or incentive. We anticipate some final results from that semester-long project in December, so next month. Our current practice, I'm go through this quickly. We have developers, we have a web-based application, developers download an application for a resolution of no objection, fill it out, they provide a variety of information on project summary form including all the project attributes, the population they are serving, budget and proximity to transportation.

[3:55:07 PM]

We prepare what we call a dip, a development information package, which goes into city council backup, which provides a variety, a whole slew of information related to the project including the census

tract, the proximity to transportation, schools, amenities in the area, ratings for the schools, and we use for grading opportunity what is known as opportunity 360. It's a platform that was developed by enterprise community partners and looks at 20-something attributes based on open source data. And then provides us kind of a profile of what kind of opportunity exists within that census tract. Census tract. Then I will say one of the things -- this is actually the limestone ridge development information packet that was provided in backup. We do look at this through the lens of the strategic housing blueprint. One of the things I mentioned in the beginning of the presentation is the strategic housing blueprint wants a certain number of units in each city council district to be within a certain proximity whether half mile or three quarters of a mile of fixed-route transit, and so in this particular case it was 1.2 miles from transit service, and so it's not helping us to achieve those goals within the strategic housing blueprint. This really is an opportunity to highlight where an affordable housing development helps us and where it doesn't help us get toward our goals. In 2019, we're looking at some process changes based on the conversation that we've had with county commissioners, and with city council. One of those process changes -- and we've mentioned the general obligation bonds. We're looking at how we're implementing those bonds and some changes that are gonna happen which will impact the housing bond review committee, which is gonna be renamed the housing investment review committee because we're gonna be looking at more than just our housing bonds, how we invest our dollars in affordable housing.

[3:57:21 PM]

We are gonna have clearly defined cycles. We've been operating kind of on a rolling application process. We're moving toward a quarterly process. It's gonna be transparent, clear for all housing developers. This is when you need to get applications in. This is when we'll be reviewing at staff level. This is when the housing investment review committee will be reviewing and this is when we'll be going to council. It gives us an opportunity rather than developers coming to us at the last minute saying "We need this resolution and we need it now," we can't operate that quickly. It takes us at least six weeks to get something before city council and we want more time than that in order to meet with the developer. This is another thing we'll be implementing, so face-to-face meetings, where we'll be able to identify potential issues. Whether it's transportation or amenities or services. We want to make sure that all of our development partners, even if they are just in fact requesting a resolution of no objection, we want to make sure that all of our development partners are familiar with the strategic housing blueprint. These are things the community wants, this is where the community wants them. We want an opportunity to ensure they have in fact met with their city council member or all of the city council to give them a heads-up about the type of project that they're developing. And this is not to create an impediment to affordable housing. This is to really create the best, to ensure we've got the best affordable housing possible. I'll end on a happy note, which is our general obligation bonds, as was previously mentioned, voters, thank you, voters, approved 250 million in affordable housing bond, of the four different buckets. I really think this puts the city in an incredible position to incentivize affordable housing, whether it's through subsidy or land acquisition, but incentivize affordable housing in really strategic areas. These are areas that the community has identified as desirable for affordable housing, whether that's areas that do not have a significant amount of affordable housing.

[3:59:24 PM]

It could be what we call high opportunity areas . It also could be in gentrifying areas. It also could be in areas with immediate access to transportation, and these are all things that, as a community, we feel like we have a lot of support for, and so we're looking forward to bringing back to -- we're going to the housing and planning committee of city council on February 12 with our investment plan for all of our 2018 bonds. And so we are looking forward to bringing that to the housing and planning committee and then going to city council subsequent to that. So I welcome any -- I know that was a lot of information. I welcome any questions.

>> Thank you. And I'll throw a thank-you to Austin voters for that big affordable housing bond. Just in the interest of time, we have, like, six more items, and this one -- it's not your fault. We like to ask questions. So if we can just keep that in mind as we're asking questions this next round. Did you have a question?

>> Thank you for your presentation. So affordable housing, so I represent east Austin, on the school board down to William Cannon. As recently as breakfast this morning, constituents are raising the concern of affordable housing and whether we as a district can use district property for affordable housing. What I'm wondering is, I'll try to make this question as succinct as possible but essentially as a district we're down 6,000 students over six years. The "Austin American-Statesman" I see is reporting we're down another 1,600 students this year, which pushes that about 7,500 students. Prior to today, before doing the math I was saying we could easily shutter four high schools, four middle schools and six elementary schools today and still not have right-sized the district for the attrition we've seen during these six years. I'm new to the committee but I'm wondering if someone could brief me at his or her convenience on the most recent conversations and what it is that we as trustees and/or community members can do to help move forward the conversation on the possibility of creating a win for the community bond, if we can't have schools at these sites, can no longer sustain schools, perhaps we can create a community for affordable housing.

[4:01:47 PM]

>> I will say, I think it came out of a conversation from this committee, when aid put out properties for disposition, Austin Housing Finance Corporation purchased two of those properties. Doris and Tannehill and we are getting ready to put those out for RFP and the priority is of course affordable housing and family friendly affordable housing. So we have an eye within our department on how to best utilize these properties. I want to make sure we have families in those properties, whether they're for sale or rental. So we can get more kids in AISD schools.

>> And to answer your question trustee Mathias the most recent conversation I remember happened at a joint subcommittee in 2016. That's not too recent anymore.

>> It's been recurring item.

>> I've got three plans here for [indiscernible], winnebago property and pecan tilery. I was curious as to where those were. Those were supposed to be kind of a joint effort. We have --

>> Sorry. We have four parcels. Winnebago is not Austin housing finance corporation, I don't believe, and as I recall -- well, but the other -- the four parcels we have within our purview right now, we have a couple small parcels, too, doing infill development, Doris, Tannehill, la vander loop, called Gardner, and pecan tilery, all four will be going out for rfp so that we don't -- we're not packaging them together. We have a goal to have it out for rfp the first two, which why I recall correctly are pecan tilery and Tannehill, but I could be wrong, the first two will be in early 2019.

>> Okay. And the reason I --

>> We're phasing them.

>> The reason I said most recent conversation is because this was the most detailed conversation I could find any kind of information about where we actually had presentations.

[4:03:52 PM]

I checked with Aaron, assistant city manager Sara Hensley about minutes from the December 16 meeting of 2016 where we were supposed to get answers to the type of questions that trustee Mathias raised and there are about eight questions that were raised at that meeting at the November 2016 meeting, and then we were supposed to get answers at the December 2016 meeting. And I don't have any notes on that so we're in -- I'm in the process of researching that information, and I just emailed Sara Hensley today to get that information so we could find out what the answers to those eight questions were because those were some major impediments, at least for aisd, Travis county and the city to be working together on joint developments. So it's been a while since we've really gotten into the nitty-gritty about these kinds of proposed partnerships, and they are complicated but I'm glad to hear that at least the three properties I mentioned earlier are being worked on and I think that's helpful. Do we have an idea of how many units will be on each one of those properties?

>> So we did -- we had a contract with eps, economic consulting firm, to look at the range of units that would be permissible under current or prospective zoning. As I recall two of the sites are zoned -- two of the sites are not currently zoned I think because they came from aisd, they're zoned P, public, so we need to get them zoned before we put them out for rfp.

>> Correct. One was before the planning commission and it was denied. That was the one with Tannehill, I believe. I want to check into that one. There was some reason that the planning commission couldn't do anything about it and there was some legal restrictions.

>> Okay.

>> So you might want to check into that one and see what's going on with that.

>> But we have done the economic analysis. It was just completed in October. That was one of the things that we had to do before we prepared the rfp in October, and each site we looked at feasibility from an economic perspective, for sale, for rent, the range of affordability that we could anticipate, and then also the number of units and the type of units we could get on each site.

[4:05:09 PM]

Our goal is to maximize the number of units and maximize the affordability.

>> Do you know if the winnebago site is still going to be -- be mixed use? Because there was discussion in 2016 about putting some small businesses there, opportunities for small businesses.

>> I'll defer to councilmember Garza because as I recall that's --

>> Yeah, that's in my district. There was an analysis done and there was no access to public transit so that's why it wasn't considered a good spot for affordable housing.

>> As a final note since I live in one of those gentrifying areas that's very dense and has a ton of existing affordable housing, multi-family residences, the rundberg area, corridor there, so it's not considered a high opportunity area, which we all who live there don't really care for that description. We consider it high opportunity. Because it has affordable housing, transportation, lots of clinics, lots of amenities and that kinds of things. So if the definition of "High opportunity" restricts funding for that area for the rehabilitation of the existing affordable housing there, is there some way for that to be changed or is that a federal mandate or a city?

>> So Jamie may is here with -- he's the housing development assistance manager.

>> Okay.

>> And he can tell you a little bit about December 17. He's in the process of revising all of the rhda, and homeowner development, Hoda, rhda and Hoda guidelines which I think will address your issues because we are not restricting fund to go just what we call high opportunity areas.

>> Good to hear. We were of the opinion that U didn't like us. So go ahead.

>> We like you.

[Laughter]

>> Go ahead.

>> Jamie may, neighborhood housing community development. We have been looking at our application process, and as Mandy mentioned we've renamed some things. We've put a quarterly review process into effect.

[4:07:11 PM]

We're in the testing phase right now, basically beta testing, working out all the kinks so when we go live with our new application, standard operating procedure, new guidelines and entirely new process at the first of the year, we'll know where the hurdles are that we need to overcome. We know it's not gonna be perfect, but it's -- I think it's gonna be the best try that we can make. To your question specifically, as part of the application process, previous application was rather qualitative. There were some interpretations that you could make on some of the questions and we have revised that to make it much more quantitative, relying on the strategic housing blueprint and the numbers that are assigned to specific districts. That's how you will be scored in the new application. Whether there is -- whether you are in opportunity zone you'll receive additional scores, and if you're in a gentrifying or susceptible area, you will receive scores. When we looked at the maps those opportunity Zones and those gentrifying or susceptible to gentrification consensus tracts, there was very little, if any, overlap. So it was a way to assign points and still give preference to areas that didn't necessarily meet that first qualification.

>> Excellent. All the schools in that corridor also are not underenrolled and they're not underenrolled even though we have a high presence of charters in that area because it's affordable. So, you know, when people say, ah, you're just making excuses, aisd, no. It's the affordability. That's probably the huge -- one of the hugest factors in keeping our schools enrolled. So I appreciate y'all explaining that to me. I'll take that back to my neighbors and say, hey, they like us and they're looking at keeping that area affordable and it's a wonderful, vibrant neighborhood, north southeast and west of that whole corridor. People are really being attracted to it because it has so much diversity. It has so much transportation. Has so many amenities associated with it.

[4:09:12 PM]

So I appreciate that update. Thank you.

>> Yeah. I'm sure you all have heard concerns from people about the high opportunity versus low opportunity terms and if there's a way to change those terms, I think.

>> Yeah the terms are

[indiscernible]

>> Very quick question. The implementation plan, that will come back to council for approval, I believe. When would that be do you have --

>> It is my understanding -- I know that the draft is supposed to be released today.

>> Okay.

>> The public comment period really should be through the end of the year. I think it's somewhat flexible.

>> Okay. Then we are taking it to housing and planning committee on February -- the first committee meeting of the year, February 12. I haven't thought beyond that but my assumption is that it's going to city council subsequent to that.

>> I think when we passed the implementation plan resolution, I believe that we put in it to come back to council. So --

>> Okay. It's definitely going -- I know it's going to the housing and planning committee.

>> That's fine. I got that. That's fine if you don't have the time line. I was just curious.

>> Comment and then couple quick questions. Great template. The dip, I think you call it, development information packet --

>> We're trying to come up with catchy phrases.

>> That's a great template. I know that our housing folks look at a variety of factors, partly driven I think by federal requirements but it would be useful to present it in a similar fashion so maybe we can team up with y'all and use a similar template. One of my questions and concerns has been the duration of the affordable housing that's associated with the density bonus programs. Part of that comes from the experience I had on the Rainey street redevelopment because we used to live there and when the community voted in the overwhelming majority we were one of the few and only house that said keep it residential, but the rest of the long-time residents saw it as their only real asset that they had a potential to get the value from.

[4:11:17 PM]

And so when we worked with the city on the rezoning, one of our main priorities was to have an affordability -- affordable housing requirement. And every project that I've heard of, including the most recent one that's under construction now, the affordability duration is only one year. Which makes it pointless in my mind. That was never the intent of all of us who lived there when we entered into that rezoning process. So that's continued to be an ongoing frustration. I'm presuming there still will be more housing built wn there and I don't know why there's only a one-year requirement.

>> I can talk with you afterwards about the specific development.

>> I'm going to go back to my office and confirm this. Rainey discreet, when that density bonus program was passed that was an oversight. It was one year for -- or on initial sale for ownership and five years for rental housing. That was in the original ordinance. My understanding was that had all been updated. All our density bonus programs were supposed to be aligned.

>> New development going up now and I think got permitted within the last probably five years. I could be a little off on that. I'll be happy to talk with you --

>> I'd love to talk off-line about that. Using vertical mixed use as an example, vmu is 40 years for rental, which is our standard. Land use restriction, 40 years for rental and 99 for ownership.

>> I talked with the person doing the sales there. And they said it's a one-year. So I'm happy to talk with you in detail about it afterwards.

>> Yeah.

>> So that raised the question, because I know this was a concern before about how these density bonus program were monitored for compliance. I've heard stories of, you know, affordable housing developers getting them and then either not being terribly forthcoming with the public about availability of the affordable housing units but I don't know what the process is for monitoring it.

[4:13:19 PM]

And I see that the density bonus program is part of the strategy, which the goal is thrilling. I mean, it's just -- it's fabulous to see the city's goal of 60,000 affordable housing units over the next ten years. But I guess I'd want to have comfort about the compliance with the density bonus programs because what I'm familiar with is a mushy compliance at best.

>> So we have a compliance division. We have folks internally who do monitoring. We kind of have two different buckets in terms of our portfolio. One is something we actually subsidize, so if we've put money into it, then it is in our portfolio. If we have incentivized it through a density bonus program, it's also in our portfolio but has different monitoring requirements. We have a contract with housing -- no, blueprint solutions, which is a subsidy of the housing authority of the city of Austin, they do our third-party monitoring and I will say for all of our ity bonus units we just contracted W them I think in December. They started in the beginning of the year doing a comprehensive look. They pulled 10% of all of the units, the tenant files, to ensure income certification was done correctly and that the folks who are the -- the income level is correct. All of our density bonus programs have a little bit of unique tweaks, whether it's Rainey street, which I'm hearing is still at, you know, one year. Most of our -- as I mentioned most of our affordability period is 40 years and 99 year but we have different income levels. And so they have just wrapped up. We don't have the final report yet but they have wrapped up the monitoring. And all of our units go on a three-year cycle so any project that we've -- whether we've incentivized or subsidized it gets monitored once every three years.

[4:15:19 PM]

But we do a risk assessment so if there are problems with a particular project where they are out of compliance then we may in fact monitor them more frequently than three years or we may pull more than the 10%.

>> It might be useful, madam chair, to get an update at some point about where these things stand, where the compliance on these --

>> Sure, especially with density bonus program.

>> I'm happy to do that.

>> We could do that for a future agenda -- gender -- agenda item.

>> Thank you.

>> So compliance on the whole portfolio, opportunity to look at it and see who is in compliance and --

>> That's correct. We have both a single family and multi-family portfolio, and so, yes, we do ongoing monitoring for both of those.

>> Okay. Well, thank you.

>> One mistake, it wasn't Tannehill, it was Loyola, so don't worry about the Tannehill project.

>> Thank you.

>> Take that off your list.

>> I'm crossing that off my list.

>> Okay.

>> All right. Thank you.

>> Thanks so much.

>> So we're gonna be working off of the agenda that was just passed out most recently and it's the one that has 2:00 P.M. Start time, just so we're all on the same agenda page literally. And I'm gonna go to the two voting ones, just in case people need to leave and if we lose a quorum, we'll still be able to vote. So the first one is the number 3, which is the discussion and possible action on amendments to the bylaws as regional affordability. The only thing that has been changed is to change -- to strike through that the meeting shall be -- it's article 7, section B, we're just striking committee shall meet monthly on the third Monday of the month. So we can have more flexibility on those dates. So I'll entertain a motion.

>> I move approval of that change.

>> Okay. Moved by sherry, seconded by Ann. All those in favor please say aye.

>> Aye.

>> Everyone approves. Next action item is four, which is the calendar, proposed meeting dates for next year, which are January 23, March 20, March 22, August 7, September 25, and November 20.

[4:17:38 PM]

>> I know I have some issues. Other people might. I'm sure that we can approve it and make changes but I think the March 201 you may want to look at in particular, that's during spring break, I believe. So

anyway, but if you want to go ahead and approve it and then we can adjust it in future -- after we've had a chance to look at our calendars, I'm amenable to that, whatever you want to do as chair.

>> Sure. Why don't --

>> [Off mic]

>> Okay. Let's approve it and then at our next -- our January meeting if folks can make suggestions on a March date and then we can -- can we change it at that point I'm assuming? Okay. Then we'll change it. Or if there's not a quorum then we'll just cancel that one.

>> What time are these?

>> 3:00 to 5:00.

>> Move to accept as presented.

>> All those in favor.

>> Aye.

>> Okay. That's item 4 passes. And then the next item would be -- it's five and that's just been a standing item. We don't have a formal presentation and so if we do want to talk about that let's come back at the end but let's go ahead and move to the number 6, which is the briefing and discussion on the impact of state law on local tax rates and affordability. So Ms. Franco, if you can. . . Just to provide I guess some context to this is -- you know, there's lots of talk about revenue caps and how that could affect cities -- local government's ability to provide necessary services. So we asked our legislative and our budget folks to come present on this.

>> Good afternoon, everyone. I'm intergovernment relations officer for the city of Austin.

[4:19:39 PM]

I'm up here today with

[indiscernible] From financial services. I'm going to give you the legislative overview of why we're here today, what we're talking about and what you can expect for the upcoming session. Just to kind of go through that real quickly, as you know, we'll be -- session for me personally has already started because bill filing has already started, started last week. But they don't officially go in until January 8 and they'll go through through may 27. We use this spectrum to share with staff to give an idea of the indent of that five Mr. Mayor schedule, starts off in yellow because we're all happy in first and ends up in red because things are very stressful. Date, March 8 is last day of bill filing. They can still file bills all will way up to midpoint of session. That's when hearings are happen, very significant happenings. You'll see appropriation bills are there, bills with fiscal notes. Anything on this topic can happen during that time. The [indiscernible] May 27 this year and then of course after that the governor can call a special session at any point just like he last session. Just to give you an overview of what we're long at with legislation for -- overall, the two lines I want you to pay attention to on this graph is the top and bottom. It shows a

ten-year difference in the number of bills filed at the legislature. So you can see between -- over that ten years the overall number has increased by about 1200 bills overall and then when you look at city-related bills, that number has jumped by 1400. By comparison. So that increase, you can attribute entirely to city bills plus more. The amount of legislation they're filing that's affecting cities is getting very specific. It's very -- getting very much into the everyday work, and I think the counties can speak to whether they're seeing the same thing as well.

[4:21:39 PM]

Just into the everyday work that you all do. You'll also note that going back to that bill filing deadline, that bullet there, last session, half of those bills, 3,000 of them, were filed in the last ten days before bill filing. So from March 1 to March 10 of last year. So for your intergovernmental relations office it does feel like a fire hydrant, it is, we have to go through all those bills, ask all the departments we work with to analyze those bills. We're testifying in front of committees at that time. And everything is happening. So we are seeing a significant increase in legislation. So looking ahead, what do we have looking ahead? At least this is a presentation I give to cities, so it's gonna be city focused. But we do have a strong anti-city environment still in terms of seeing a lot of legislation that will preempt the role of cities. There's even a concept out there called super preemption, which is that a bill was -- there was an attempt last session to pass legislation that would say anything that affected a business interest was preempted. So just take that definition and extrapolate that to whatever you think or someone would think a business interest is. And then of course we have this issue on property taxes, which I'm going to get to on the next slide. Both the government and lieutenant governor are committed. We'll talk about the governor's plan on the next slide. Regardless of the election outcomes it's still a Republican legislature and all the chambers. That's not changing. As you all know we recently had a new movement in the speakers' race and we have 109 members. I believe that list has grown even since then that have pledged to support representative Dennis boneuax, also a major legislative member on revenue caps last session. So just overall real quickly what we see for the city of Austin these are some top issues, I always present this pyramid to council that in addition to the numerous number of bills we'll be looking at by the end of the day these are some of the top legislative items that we'll see maintaining Austin energy as a municipally owned utility are very much up there at the top along with other issues y'all will be familiar with.

[4:23:03 PM]

Moving specifically to revenue caps, so in Jan governor Abbott did come out with a proposal on revenue caps, actually representative boneuax was with him at that public event of unleashing that proposal. And what that proposal says, right now what we're aware of, it calls for moving the 8% rollback rate that applies to counties and cities and lowering that to 2.5% for all taxing jurisdictions. That cap could only be exceeded for certain expenses. That has been defined as public safety and critical infrastructure. I've been trying to make sure everybody understands that we don't have those definitions yet. And I caution that what we would say is public safety may not be the same as what they would say public safety. I've

been told that -- I've heard that it only means salaries, which, you know, our public safety budget includes much more than just salaries. So and we don't quite know what critical infrastructure means. So those are gonna be defined, and that will be part of where the legislative eack and forth will happen. But even if you do meet -- say we bid into those definitions, even if we said we'll exceed that 2.5% for these two categories, you can only do it when a supermajority of your governing board approves it, so two-thirds, right? And a supermajority of voters approve that in election. Not a majority. A supermajority. So supermajority meaning 70%. 75% of voters having to approve that measure. And then if you pass all that, then you can go above the 2.5% but you can never exceed statewide population growth and inflation.

[4:25:09 PM]

After you go all through that then that number, Ed's office told me is about 4%. So after you've gone through all that you can possibly go up to 4% for these categories as they are defined in this legislation. So this is a very restrictive plan. It will fundamentally change all of our budgets and how we do budgeting. To give you a recap over what's happened before we got here, so what this graph shows saw is a summary of what happened last session during the regular session and special session. So if you look in that left column, starting out at first in the senate, sb-2 was the bill filed and that's only because sb-1 had to be the budget. So Patrick made sb-2 revenue caps, that's how important it was to him, filed at 4% and voted out senate finance at 5%, passed out of the senate at five. In the house a 4% bill was filed but that never passed. Instead the house passed a transparency bill to provide more transparency to this process, and that

[indiscernible] And never made it out. We were brought back in for the special session, the senate went back to 4% and stayed at 4%. This is very important. Then the house, remember Dennis boneuax was chair of ways and means during both these sessions, the house filed a 5% and then passed a 6% for only large cities. And that was defined by a population and sales tax revenue amount. It was interesting that all of a sudden sales tax applied for cities in that calculation. So 6% for large cities. It was a list of I would say about 20 to 30 cities overall.

[4:27:10 PM]

And when that was sent over, then we now had to reconcile those bills, both chambers next step would be to appoint conference committees, where they appoint five members from each chambering to iron out the differences just for those of you that don't know that's kind of what happens behind closed doors and then they come back and present what they councilmember tovo agreement to to both bodies. The senate wanted to

[indiscernible] The house did not and the speaker signing died and that's when that ended. But what they would -- if they had been appointing conferees, they would have gone into a room to discuss the difference between four, as large cities, again-- let me point out, too, the senate also got four for large

cities, too. And six for large cities. Is what they would have gone to in a room to discuss. So that is a recap of last session. And I will now -- unless you have any questions, I'm gonna turn it over to Ed for financial impact.

>> So I guess I didn't realize. So the 2.5 would also apply to the school districts?

>> Yes. And we're unclear how that works at this point.

>> Because don't the -- doesn't the school district have an automatic 6.77 --

>> So I know enough to be dangerous here. But they are capped on the overall tax rate, if I'm correct, but this would be a percentage cap, which is different, right? So even though aid is capped because property values go up year after year, I don't know how this applies to that scenario. It would be -- it's different from the tax rate cap. I think the aid -- the education crowd is telling me I've got it close enough.

[4:29:10 PM]

>> Okay.

>> We got a report from the county's igr person that they were called into a meeting with the -- I think the governor and lieutenant governor's staff who went over their plans for this session, including that 2.5% cap, and when they asked how the 2.5% cap would apply to school districts since the state budget assumes 6.5% contribution from school districts, they I think perhaps -- maybe hadn't anticipated that, maybe weren't aware of it but I think what they indicated in that meeting according to our representative was that they would be looking at putting more money into school funding.

>> Excellent point, commissioner. What commissioner Shea is referring to in the budget every session in order to calculate what they anticipate having to fund for the schools, they actually assume that property tax values are gonna go up across the state, not just in any particular community, but across the state at 6.7%. So they are assuming -- they are banking in essence on that increase, and that determines how much they have to or cost choose to put in in return. Right now on the funding sources, the Texas public policy foundation, which is very much interested in this plan, has put out documents on this as well and policy papers, they have promoted two concepts. One is that you will achieve the funding through all the savings and spending you're going to achieve I'm not quite clear on that. That's one. And the other one would either be through an increase in the sales tax rate or an expansion of the base.

>> They limit the sales tax rate so it's not that it is fungible. My question also had to do with the 6% for large cities, did that also include counties with large cities?

[4:31:11 PM]

>> I'd have to double-check that for you, commissioner, but I believe so.

>> Okay. Thank you.

>> Quick question. Say, again, real quick about preempt, super preempt, what does that mean?

>> Preemption is basically when the state comes in and says to the cities or counties, local jurisdictions, you will no longer have the ability to legislate in this area. Think of alcohol sales, for instance. That will be exclusively the jurisdiction of the state. That's --

>> Does that affect school districts or just cities and counties, all taxing entities?

>> I don't know many instances where school districts run into a preemption issue.

>> We don't sell alcohol.

>> Right. But definitely for cities and counties it does become something we look at regularly as part of our ordinance making authority.

>> Okay. Thank you.

>> And you may be getting to this so if so just ignore my question, but you mentioned the Texas public policy foundation. Have any other entities looked at this? Have they done fiscal analyses? Has the Ibb done any kind of fiscal impact study?

>> No we're not that far long on details yet.

>> I didn't know in the interim. Because this has been around a while.

>> Yeah

>> This seemed to startle more-- focused on cities specifically, and now is that right? And then now has expanded to all taxing jurisdictions?

>> Last session it was something that included counties. Counties were involved in this last session too because I believe were the two taxing entities specifically that are affected by any change to the 8% cap.

[4:33:14 PM]

But the governor, when had he put out his plan it included school districts, and all taxing jurisdictions, yes, that was a big difference in step.

>> So all taxing jurisdictions could potentially include, oh, I don't know, health care and hospital districts.

>> Correct.

>> Anything --

>> Community college.

>> Community college I was getting to next, any entity. My recollection from last year was it was -- started out just counties and cities but could include anything that's anybody who assesses a property -- and collects a property tax.

>> Correct.

>> Has there been any -- well, this is going to be interesting because of course the legislature is also discussing the school finance system.

>> Yes.

>> Yes.

>> And let me actually say, chairman did actually say recently school finance was his one, two, and third priority.

>> Right. So I'm not sure how that's going to mesh with this.

>> Ed?

>> Good afternoon, committee members, my name is Ed van eenoo, deputy chief financial officer for the city of Austin. I was going to walk you through our overlapping property tax rates and bills and talk a little bit about how in recent years the state has impacted those and how revenue caps may impact it further. Lowered. So this just takes a look -- I'll say this is a regional committee but for purposes of this graphic we're speaking to the city of Austin, Travis county, Austin independent school district, Austin community college district and central health. Those are the five jurisdictions we used for this analysis that we define as our overlapping tax rate. For those five it comes out to just shy of \$2.20 per hundred dollars of taxable value is the overlapping tax rate and the pie chart on the left shows how that tax rate is divided, about 54% of that rate comes from the school district, 20% is the city's share, 16% is the county's share, and the remainder is central health and community college.

[4:35:29 PM]

You could replace Austin independent school district with Round Rock and it would largely still look like. School districts will generally be half or more of your total tax rate. Over on the right we take those tax rates and apply it to a median taxable valued home in Travis county, which according to tcad is \$332,000 was the median taxable value for residential homestead in Travis county. We also take into account the varying exemptions. So the Travis county offers a 20% homestead exemption. The city does a 10% homestead exemption. The school districts have their own exemptions. And we drive out the tax bills. So it shifts things a little bit. The school district gets a total of about 56% of that total tax bill, 20% for the city, the county's share is just over 14%. Again, the remainder going to central health and community college district. Just looking at fiscal year 18-19, that typical tax bill increased by \$484 from 6,061 to \$6,546 but one thing that you really have to keep into account, particularly when talking about the Austin independent school district, is the impact or the portion of that school tax bill that goes to state recapture system. This is what that looks like going back to fiscal year 2013, the aid recapture payment was \$120 million. In fy18 had grown to \$540 million. You can see in fiscal year '19 the district is

projecting it to grow to \$673 million. Which would be 46% of their tax collections. And I'll just mention that \$673 million is slightly more than what the city of Austin taxes for operations and maintenance and debt service on voter-approved bonds. So it's a very large number. Projected to continue to grow, exceeding a billion dollars by fiscal year 2023.

[4:37:33 PM]

And this recapture system has a significant impact on local property tax bills. What we do on this one is we take that same median homeowner that would currently in fiscal year 19 is \$332,000, that's grown over years. The exemptions have also changed over the years so we take all that into account. You can see the tax bills have grown significantly for that median homeowner from \$4,653 back in fiscal year 2014 to what I previously mentioned \$6,546 today. But you really need to look at what are the driving components of that. So, you know, you look at the city of Austin, it's increased some. You look at all the other tax -- Travis county, central health, community college, those have increased some as well. Then you look at the school district and interestingly the aid retained portion of that tax bill is actually reduced. What's increased substantially is the recapture amount. From \$355 for a typical homeowner, typical Austin homeowner paying \$355 to state recapture in fiscal year '14 rising to \$1,700 in fiscal year year 19. We summarized those changes and this chart to drive the point home to the extent the people are feeling the pinch of rising property tax bills in the Austin independent school district area, this is what's driving it. In five years, the total tax bill for a median home has gone up \$1,893 with 72% of that coming from recapture. Yes, the city of Austin and other taxing entities have gone up but actually the school district's retained portion of the tax bill is less than what it had been in 2014, and that's driven by student enrollment rates really being stagnant and even declining a bit.

[4:39:36 PM]

So you know there's been a lot of discussion about -- at the state level about capping revenue growth at something less than the current 8% level. Bri just talked about the governor's plan of 2.5%. Last legislative session we had done a lot of analysis looking at a 4% cap. We have some of that information here. We ran numbers, had a 4% cap been in place since 2014, that same time period showing on those previous years, your typical homeowner right now would be paying \$7.50 less per month, that's if it had been in place for five years, 4%, 4%, 4%, 4%, typical homeowner would be saving 7.50 a month. So it's pretty minor savings for a typical homeowner, but really major impacts for the city of Austin and if it had been in effect for other jurisdictions I think it would be likewise significant impacts for other taxing entities as well. That 4% cap today would result in \$45 million less property tax revenue coming into the city coffers and we just want to put some, you know, order of magnitude to what \$45 million looks like. Somehow, some way this city would have to get \$45 million per year out of its operating budget and so just to give you some sense of what that means, that's \$45 million is the equivalent of roughly 480 police officers. It's also roughly equivalent to about 540 firefighters. If public safety was something that, you know, we didn't want to make reductions to it's about 90% of our total operating budget for our library

system. Not just the central library. Our entire library system. Staff, books, everything, all of it. That would be about 90%. It's also equivalent to all of our aquatics programs, park maintenance and rec centers, the operating costs of all those combined is \$45 million. So fairly minor savings to an individual taxpayer, real, real significant impact to city services.

[4:41:38 PM]

And the compounding effect is really significant. I just had one more if you want me to finish. So this is the other thing. This is really more of a city dynamic. I don't think this is as much of a dynamic for counties and school districts, where the bulk of your revenue come from, from property taxes, but this is one story we're gonna try to make legislators understand, is that in the city, about 47%-our revenue comes from property taxes, 53% from other sources. So you have to take that revenue structure into account when you are considering revenue caps. So in the city over the last five years that -- of those other revenue sources, sales taxes, utility transfers, the fees that are vary -- our various departments charge, those are grown annually about 3.3%. Our base cost drivers, and I would submit this is probably pretty typical for all of us, just the cost of doing business as normal, wages go up, cost of labor goes up, health insurance cost goes up, workers' comp cost goes up, just the cost of doing business as normal generally grows about 4% per year. Then if you want to do new policy initiatives it's on top of that but just your basic cos drivers are about 4% per year. If your costs are going up 4% and 53% of your revenues are only growing by 3.3 to balance all that out you need property tax growth about 5%. This is kind of a city of austin-specific example we played with but we would view anything below 5% as being not only a constraint on council implementing new policy initiatives it's gonna be a constraint on just continuing business as normal. So that's just kind of a -- the dynamic related to revenue caps, how they would negatively impact city services. Happy to answer any questions you have.

>> I have one. Quick one. And that is it struck me on this page we were talking about the \$7.50 a month, \$7.50 a month would be the savings for the typical Austin taxpayer, and then you look at what the city would have to cut or decrease to make up for it.

[4:43:55 PM]

Is there any way to take that \$7.50 and then do some kind of dynamic or pricing and demographics in that to say, okay, you may save \$7.50 a month, but are these the folks who need these services that would be cut? How much would they be hurt by not having access to a library, aquatics, parks, maintenance? Does this make any sense, what I'm asking?

>> I see what you're saying.

>> Yeah. We could try to do something like that. You know, of course how much -- it's gonna vary.

>> It is.

>> Some are higher valued homes going up more than \$7.50. Half the people in the city quote unquote savings would have been less than 7.50.

>> Right. I'm thinking those are the very people who would then be hurt from not having these services.

>> One thing interesting to consider is the discussion is we need to do something about rising property tax bills, we're gonna cap cities, for example, 7.50 times 12 is \$90. Had we had a 4% cap in place the state would have saved local taxpayers \$90 a year at the same time that the tax bill associated with recapture has gone up \$1,353.

>> That's the point, I think it's important to note even with these savings, I'm gonna use parenthetical around that, there would -- everyone would still see an increase in their property tax bill.

>> Right.

>> Yeah. Because of -- yeah.

>> So this isn't a tax cut. It's not even a -- really a tax savings at the end of the day.

>> Thank you for this information. I'd love to dig a little deeper. In the late '80s I practiced law in southern California in the real estate industry, and looking back on it, they had capped property taxes in '78 and what I see happening then is kind of what is happening here. The city's obligations and needs don't go away but the revenue is capped so you start seeing fee increases go through the roof.

[4:45:58 PM]

I was having this discussion in August in southern California, visiting some friends and I don't remember which city it was, San Diego county, but now \$175,000 to get a building permit. Why? They got to pay for the department, got to pay for the inspectors, got to pay for those things. So to me it's not addressing the fundamental issues of the school district -- you know, the school issue causing the majority of it, but it's not gonna change your needs. Your needs don't go out just because you -- you know, don't go away. So our expectations are our road maintenance would get worse, services would drop, you know, everything. And this is --

>> And -- Ed and I have talked about this a lot. To your point, Ed, if you could fill in a number, but we talk about how the city's budget is largely for personnel. Even when you look at things like public safety, it's personnel and equipment and stations and cars. I mean these aren't things we can necessarily economize or create an app for it. Ed, how much of a -- definitely our public safety since we're talking about that, overall it's personnel and just people?

>> It's interesting for the general fund it's 85 to 90% of our budget is personnel costs.

>> It's kind of interesting we oftentimes talk how we don't want to be like California and we're operating exactly like California. It's, like, did we learn anything from this? Anyway, frustrating.

>> Good point.

>> Well, and to your point, it's enlightening but disheartening to look at what happened to the public school system in California before prop 13 and post prop 13.

>> That was horrifying, yeah.

>> Yeah.

>> Just a quick question. So this applies to bonds also? So say we just had an election on bonds.

[4:47:00 PM]

So how -- you know, which people vote on, which ends up showing up on our property taxes. So how -- I'm assuming that that limit would also mean that we couldn't put out bond for people to vote on?

>> That has not been discussed at this point.

>> So even though it would increase the property taxes and the rate of property taxes, they've left that out?

>> Right. Right now the revenue caps only apply to your operating and maintenance budgeted and even the lower caps still only apply to operations and maintenance budget. Your debt service portion of your property tax is still allowed to float to whatever the voters approve essentially through the bonds that they approve.

>> Even if some of that is used for maintenance?

>> Yes. I mean, maintenance, I mean, it --

>> Okay.

>> That's -- that is a huge question. We just had a bond and there was a lot of people saying, where are we putting an air conditioner, roof fixes, why are you doing that on a bond that should be a rotating maintenance. As much as you can push on the bonds, three quarters, 50% -- I mean, almost 80% of our budget in Round Rock is -- goes to maintenance and operations, salary, bulk of that of course is salaries. All of this is very impactful. I think of course of Austin, we're remove 10% behind you guys. That chart you're showing, recapture, Round Rock will be doing that 20 million, we'll be up to 50, 60 million here soon. It's painful but nothing like what Austin is going through.

>> To your question, though, councilmember kitchen, there are a number of legislations filed every session about our bond authority, certificates of obligation, all of it. And what it would be required in a vote, what the ballot language should say, what -- so that is under attack as well, as you know. Yeah. Just separately.

>> Go ahead, Bridget.

>> Couple of things. One is we talked about this in our joint subcommittee meeting as well, where we had a somewhat similar briefing, although the details in here are more expansive related to the city, and

the comparison about what people would save versus what it would cost in terms of city services is really important.

[4:49:17 PM]

I don't think people appreciate -- I mean, 7.50 is less than the price of one movie ticket per month. But it's the cost of the entire aquatics park maintenance and rec center program for the city of Austin or 90% of the entire city-wide library systems' operating budget. When they identify revenue caps, I -- this is the first time I think I fully understood, are they talking about placing a cap on our sales tax revenue as well.

>> No.

>> Or is it just a property tax revenue cap?

>> It's just a property tax revenue. But when they calculated who it would apply to during the special session, for some reason they've used sales tax revenue to reach that calculation of what defined a large city.

>> Okay.

>> And then counties I think was -- because y'all don't get sales tax.

>> Yeah, we don't.

>> Different. So it was just an interesting nuance that came in to the discussion. I don't know why you would include sales tax when we're just talking about a cap that only applies to property taxes.

>> Okay. Then the other thing, we discussed this at the joint subcommittee, the use of the term "Recapture" is really a misapplied term. It's not as though the state had some right to it in the first place and is simply coming in and recapturing it. The state constitution is exceptionally clear that the state has the duty to pay for the education of the school children of Texas. And they're clearly failing to do that. And honestly I keep saying to people we need to be straight with the community about exactly what this is, which is -- I say it's theft. The state is coming in and taking our property taxes, which we are paying for our schools, and taking well over half a billion dollars this -- 2019 2018, which just ended and \$673 million from our community.

[4:51:24 PM]

When it's clear we don't have the funds to even keep open the schools that we have. And I think, as I said in the joint subcommittee, we need to be really clear with the community about the impact of this attack on our community, which will mean the closing of many, many schools across the city. People need to know that in advance. This sits on the shoulders of the legislature.

>> Right.

>> Are we already in the year where the state will take more in taxes from the taxpayers of Austin than the city will?

>> That is projected to happen this year. So the recapture is -- recapture for this year is projected to be more than that.

>> While they're talking about capping us they're taking more money than we collect as a city. From our taxpayers.

>> They're taking more than we get to keep, is what you're saying?

>> Mm-hmm.

>> All right. Go ahead.

>> So in other words it's a statewide de facto property tax, and we're not supposed to have that constitutionally. Everybody recognizes that. So in the interest of getting the word out and I'm gonna ask our Travis county commissioners about this, the tax notice come out through their office, is there any law that says there couldn't be a flyer in the next -- even though we've had this transparency thing going on, a flyer in the next set of bills for 2019 that explain exactly where this money goes?

>> Like this.

>> Yeah, like that. Is there anything -- if y'all could look into --

>> It's worth looking at it --

>> I think we might be able to help with some of that expense if there's expensive printing and that kind of thing, I think it would be well worth our while to help with that and put the word out. Because every payer gets that.

>> Right in the mail. I know the state is very specific about what whack be -- what can be said. It's worth asking the question. This is really excellent material.

>> I know that I did this before for the city of El Paso and they do the tax bills and they do include in there a dollar that says this is how much is for each jurisdiction.

[4:53:29 PM]

So I think there's ability to --

>> Sounds legal,

>> Right. Transparency.

>> We have that. Maybe we can add some graphics like this to it.

>> Add it to that. Under that heading.

>> This presentation is in the back up, right?

>> Yes.

>> Can you e-mail it to all the committee members that are interested? I think that's a great idea if there's a way the county can provide that information in tax bills. I think it's important. I know in a recent discussion on our homestead exemption, and our concerns with it being an aggressive tax, I put up my tax bill and put where the percentages of each one are and how, you know, it's important for people to realize. Because it does tell you by numbers, but I don't think, you know, people see. And I think information like this would be great for constituents to understand where the bulk of their property taxes are going. We're going to go ahead and move to item 7. And I think we're going to move item 8, in the interest of time, to our next meeting. It was the discussion on surplus of land. But it's a good idea to talk about affordable housing all together. Thank you, Christine.

>> Happy Thanksgiving.

>> Happy Thanksgiving.

>> So this is a briefing and discussion on project connect, which is a really important cap metro initiative that we will be hearing a lot about in the next two years.

>> Good afternoon, members of the committee. Also members of the metro board. We've got four members of the metro board that are part of this committee. And serve not only here but in many other places around the city, and also find time, and we're fortunate enough to have them on the metro board.

[4:55:36 PM]

What I would like to start with is looking at something that is transit and affordability. When people look at what the costs are in their individual budgets, the main thing most people focus on is housing. But the second most large component really is what the cost of transportation is. And that's why it's important and key, as we look to the future, to go ahead and see how we can put together an overall transit system that will be able to provide that transportation to not only the city of Austin, but also to the regional areas. When you look at what the specifics start to look at in terms of dollars, if you look at the annual cost. For ownership under automobile, it's some \$12,000. When you compare that to what either the monthly pass for the commuter bus or for the local pass, it comes back to something that is \$1100 per year if it is the commuter bus. And about half of that if it is the 31-day local pass. It's a significant difference. It's that \$11,000 is a significant amount of money that is being diverted from other purposes within an individual family's budget into things that are transportation based. It makes a large difference. And for a larger transportation network that will serve not only the city but also the surrounding region, that gives people the opportunity to be able to switch away from the higher costs of operating in a single car, to be able to go ahead and take the commuter service. It's a point I wanted to start with before we got into the project connect presentation.

>> Can I ask a quick question? Is that just like your gas and maintenance? Because it would be much more -- that would be if you're, I'm assuming, have paid for your car.

[4:57:37 PM]

>> That's the total cost of ownership. It's gas, maintenance, whatever the cost is to acquire. It is everything on an annual basis.

>> Oh, okay. I redid my aggie math in my head and now it makes sense.

>> So if I go ahead and move into project connect, it basically is two different components. There are the short-term improvements that we're looking to make on the mobility hubs, on metro rapid. And then the core of the program really comes into the creation of high-capacity transit at work. It is not just something that some people look at and think of. This is something that is a core project, that it's not just about the city of Austin. This is a regional look. It is what can be added, what can be enhanced in order to go ahead and to add park and ride lots around the perimeter. Some of those would go in the Georgetown area to the north, down to the east over to bastrop. Down to Buda to the south. So it is something that is truly a regional vision. Some people would look at it and the first they hear about it will be this is purely about a core system in the city. It's not. It's a regional approach to be able to bring people in from each one of those suburban areas by creating those regional express routes. Some of those routes are possible because they are within the service area. Others are outside of the service area. So there has to be agreements between those localities and cap metro in order to go ahead and provide that cost reimbursement for any of those routes. That has happened in some locations and we're hopeful that that can happen in many other locations. That's the piece I wanted toize first. This isn't about the core of the city. It's about the region. If I focus specifically on the piece that is the high capacity, it starts to bring you back in towards the core.

[4:59:39 PM]

There's two high capacity transit dedicated pathways that are envisioned. One is the Orange line, which is the core north/south line that would go on north Lamar down to south congress. The second one is the blue line that would go along Riverside that would provide service to the airport. And then into downtown by way of the downtown station. There's four lines that they consider to be brt light. Those are ones that don't have dedicated pathways. They would operate basically in mixed traffic. They could operate more the way we operate right now, the 801 and the 803 so there are amenities there. They don't have the dedicated pathway that lets you improve the travel time. The second one is the green line to manner, with the eventual ability to extend further to the northeast to the Elgin area. And also neighborhood circulators to provide that localized transportation. Some of what was presented in earlier presentations dealt with the income level of housing and the distance from that housing back to public transportation. And some of that was in the 1.2-mile range. Those circulators could help to alleviate that.

>> I'm sorry? Pardon me?

>> Del valle?

>> By the airport.

>> Del valle by the airport.

>> What is she asking about?

>> [Inaudible]

>> No, I don't believe that that is anything that is currently included, but that's one, as we're going through this we're looking for comments.

[5:01:43 PM]

It's one that we will go ahead and take into consideration and add, as this vision goes forward to our board for review in December. And a vote at that point in time.

>> Well, there are discussions of a park and ride at the airport, right?

>> Yes, there are.

>> So that would service del valle residents.

>> Yeah, and can I say something?

>> Sure.

>> Just quickly. I want to emphasize -- and thank you. I just want to emphasize for everyone that this is the proposed vision. As we're going around to hear from different parts of the community, we've already had suggestions, for example, in south Austin related to manchaca road, to William cannon and some other places. This is proposed for feedback at this point.

>> Yes. And exactly to that point. As we've gone through, we're going through each one, meeting each one of the council districts. We're meeting with different associations, neighborhoods here with this committee and other committees. The objective is to get as much possible community input. This has to be a program that comes from the desires of the community so that we're ensuring that it is providing what they desire, what they need. It can't be a top down solution. Those have been found historically not to work. This is looking for that input in preparation for that December 17th action by the board. It is a five-step process. We have worked through the first two steps in the process and we're right now at the end of completing step number three. This is the piece that is the vote that will come in December on the proposed vision. With that vote in place with the adoption of an ongoing program, we would then be able to take the next step, which would start into the federal-required need to process, the environmental process.

[5:03:49 PM]

And also develop the preliminary engineering which would define where the routes exactly are. Right now they are notional. They show alignments that are there but the exact engineering details and locations will be determined as we go through the preliminary engineering phase. As we complete that phase number and look forward to engineering and construction, we would be looking for funding from fta to fund a portion of the project. And in doing that you make that change as you go from step four into step five to arrive at something called a full-funding grant agreement with the federal government. One of the pieces that's there is this is really a question of geometry. If you look at the simulation that is on the screen right now, the left side of the simulation that's active right now shows basically buses in mixed traffic. So that you're seeing that in that simulation there are 126 people that have the capacity to go through that intersection with each light cycle. If you go ahead and look to on the right, one of the key tenets to be able to go ahead and get the high capacity is to have the dedicated pathways. So when you have those dedicated pathways, either with the transit running in the center on dedicated pathways or along the curb line, that gives you the capacity of about 235 people. Not quite double but almost double what that is. Simply by doing things that provide those dedicated pathways. The dedicated pathways are the key to be able to have any type of the high-capacity transit. It doesn't matter which mode it is. It is all about dedicated pathways to get that capacity.

[5:05:49 PM]

As we go forward and start into the preliminary engineering and the environmental process, there basically are three different modes that we will be considering. The first is bus rapid transit. That basically are dedicated lanes in those pathways to be able to run bus service. It gives you that capacity that you would need and the service using basically buses that would be able to be in those isolated areas. The second is light rail. An example of that is what is in Houston or parts of Dallas right now where you go ahead and embed rail within the slab and basically turn it into a system that is steel on rails. The is autonomous. Autonomous may be something that is a totally separate system, a new system out there right now that is under development, or it could be autonomous with respect to bus rapid transit or to light rail. It could be adopted to either one of the first two or it could be separate and distinct. We've gone through community engagent and we've divided this up into the steps that we have taken and are taking. The first step is what went on between 2016 and 2018. There were a series of traffic jams that were held, a series of mini traffic jams that were held. There was the establishment of a technical and community advisory committee that have gone on during that period. A series of outreach meetings, and over 600 people that have been engaged in that process. As we look to step two, which is our launching pad right now. Once the proposed vision was unveiled on the 1st of October, the first meeting with the community occurred on the 3rd of October. We continue to go ahead and have those meetings.

[5:07:50 PM]

And those have been as recent as this past Saturday in constable kitchen's area. So that was a very good attendance there. And I would hope that we start to get attendance and would encourage anyone to encourage more attendance at the other meetings. The next step in the process is step number three. This is unite. This is get ready to go forward in 2020 for a potential vote. It involves more coordination. A tremendous amount of community conversations. Development of a program management plan. That is the commitment from the agency and the program to be able to go ahead and move forward and deliver what we have committed to. Funding and financial model. What is it that it can be provided from different fund sources to be able to go ahead and come up with what the value of the program is to be able to move forward. And then step four is once all those are in place when the vote has occurred, it then takes us to moving forward with the implementation. The build out. And one of the pieces that also will be included in the program is a local business assistance. If there are times where there is a blockage of a driveway or a power outage or something else that interrupts the normal business practice, there will be a way to go ahead and provide compensation to those small businesses along the corridors. The overall timeline matches what we had for the steps that I showed previously. 2016 to 2018 for the initial community engagement. '19 and '20 plus for the pieces that are there for a continued and expanded engagement. Preliminary engineering and need beyond 2020. And then the 2020 projected vote of the overall program. I would like to take it back around to the starting point.

[5:09:51 PM]

This is the key. It is extremely important that transit and affordability for families be linked together. As I said previously, the main focus and the highest component of many families' expenditures are tied to housing. Second with transportation. And as you can see from the table that we had put together that was the amount of the cost for a vehicle. Ownership costs on an annual basis, over \$11,000. Compared to what it is for either the monthly pass for express or the monthly pass for local. It's a difference of around \$11,000 that needs to be looked at also from a policy basis as to what that path is forward and establishment of the transportation program like this for the region. With that, I'm glad to take any questions.

>> Does anybody have any questions?

>> I would make a quick comment. Ben used to do that on a regular basis. He used to ride buses. He said it's a lot cheaper but it would take him a couple of hours to get to a location. When I see that, the cost of owning a car versus transportation, as long as it's not more than a quarter mile or so. It was always interesting when he wrote stories about the rides he took there. Thank you.

>> Yeah. And that's one of the reasons why it's important to make these investments to help the infrastructure that we have. It would pay for better public transit, basically. It's one of the discussions we have on the cap metro board is frequency versus coverage and how do we get what is referred to as choice riders out of their vehicles and into buses or whatever mode we end up picking.

[5:11:59 PM]

I just wanted for folks listening, I believe the next one is mine in district 2, which is Monday.

>> Which is Monday evening, yes.

>> Monday at the southeast library. And so we need as many -- all austinites, obviously, but south austinites to come out and give your feedback on what you think of the vision, the vision map. Because, you know, there's only so many -- I appreciate you putting transit and housing together again. Because there's only so many levers you can pull, especially as an elected official you feel like your hands are tied. You can't control market-rate housing. It's the entire nation that's facing a housing crisis, not just Austin. And so if there's one thing I often tell folks is if we can improve our public transit system we can get people out of their cars. And that would take a significant amount off of -- out of their budget. And so this is a really -- I think this is a really important thing happening right now that we need input from the public and support for to get -- to improve our public transit. We're a growing city and we have to recognize that and make the investments to get people out of their cars and into our public transit system.

>> I was just going to echo. That was well said. The only thing I would add is we want to get it right. Which means that we want to make sure that this map really reflects what the community wants. And so that's why it's so critical to get everybody's feedback right now. As you said, we'll be voting in December as a board. And so this is the time. So all of you can help with the constituencies that you deal with, the folks that you work with to ask them to comment. If you can't make it to an event you can go online to project connect.

[5:13:01 PM]

And also I think I understand -- correct me if I'm wrong, but I think cap metro is available to come to events. So if there are other events that you all are aware of in the community meetings or things like that that are already happening, you can invite --

>> Please. Please, yes.

>> You can invite him to come and make this kind of presentation.

>> Thanks for pointing that out. Central health has a lot of community meetings, so you may want to check with our community engagement folks at central health, because we have a lot of community meetings and a lot of them in these target areas that you're speaking of.

>> We would be glad to come and do similar presentations or tailored to whatever the desires are of that local community. Any time there are meetings or if there are special meetings you want to call, we will be glad to be there and provide any presentations that we can.

>> The other one I would mention is haca, the housing authority of the city of Austin. And haca has a grant, if you spoke with Catherine there, she has been working with residents on their properties on how to give feedback on their mobility concerns. So that would be another good one.

>> I have a clarifying question. So what the board is voting on December is the vision map.

>> Yes.

>> There's still the possibility that that could change. I'm saying after the vote.

>> Yes. I mean, the vision plan gives the corridors that are then going to go ahead and be taken for the next step in the study, which will involve refinements as we go through the environmental process. And also through the engineering process. There may be places because of the widths of corridors that would not be possible to run at street level. There may have to be areas that will be elevated or underground.

[5:15:03 PM]

>> And will there still be the community input will still be taken?

>> Yes, it will.

>> I just wanted to clarify that. I know a lot of people have been asking that.

>> Commissioner Shea.

>> I wanted to really recognize capital metro for paying attention to the trends that are happening in the automobile manufacturing world. They're literally putting billions of dollars of investments into developing autonomous vehicles. And I think we have yet to really look at the impact of that in our campo long-range plan. I'm glad to see that capital metro is trying to anticipate it and trying to plan for it and trying to understand how it could be really beneficial to the transit system. I think it's essential that we do that for our regional transportation planning. So I want to just acknowledge you all for really paying attention to what's the technological changes that are happening and really trying to incorporate them into your plans.

>> We're studying what's going on right now at a lot of places around the world are further advanced to what is going on than the United States right now.

>> Much more.

>> There's projects in Singapore. Projects in France. So we're looking at each one of those areas as we look to what are the potential choices for mode or the choice of brt or lrt with autonomous. And that's all going to be about development of technology timing and also what the requirements are at a state or federal level for commissioning and use of the vehicles.

>> Excellent. Thank you.

>> And the whole system, as we go forward -- and I would be remiss in not saying this. Which ever of these, whether it's brt, art, light rail or the buses we would put in place, everything is going to be completely electric. It will be that system as we go to the future.

[5:17:05 PM]

And the days of the diesel buses will be gone.

>> I just want to say I think that we made a really good hire with Randy Clark. That he's got an exceptional knowledge base and he's assembling an exceptional team. But I think there are a lot of issues that are in play that are going to require a lot of partnerships that we've never had before. You know, we're looking at a significant outmigration from the city. We are looking at the pflugervilles, the manors, the del Valles, the parts of south Austin that aren't in the service area. So as we are asking them to serve those areas we also have to think about the resources that are necessary to get there and the problems that we can solve and then the problems that we'll need help from our legislature to solve as well. And a more effective partnership with ctrma. What are the jurisdictions that are well funded and can address these problems and are we laying the problems out in a way that we can address the needs of folks who don't really interact with government as much as they could. So I commend you for being here for the work that you're doing and we just have to redouble our efforts. Because it's getting more, not less complicated.

>> What do the circulators look like? What are they?

>> The circulators would be local service within a neighborhood. They might be -- I use the term it may be autonomous. It may be six or eight or ten passenger vehicles that would go through the neighborhoods and that would then take people back to, whether it is an express route, whether it is brt, art high capacity.

[5:19:07 PM]

But it would get people that last mile or two from the neighborhood back to the housing question that was there earlier of the 1.2 miles. That could be something that could help solve that.

>> So a lot of people in my neighborhood are hauling kids and groceries a lot and large buys from things of target and Wal-Mart. Is there capacities in these circulators to have their stuff with them?

>> They're mainly looked at as passengers going back and forth. There will be capacity within them. One of the pieces that we would have to look at specifically is anything that's going to head towards the airport where people have got luggage. But it also involves what would be the local trips, whether it's to the grocery store or other places.

>> Same thing for the other equipment that would be used, the other trains and buses and that kind of thing. Because I think a barrier for a lot of the people in the renberg area, they stay in their cars. They use their cars. They're vans and that kind of thing, because they're hauling a lot of stuff. Are you looking at getting them out of their cars or another part of the population.

>> We're looking at whatever part of the population that can get from their cars on to public transportation, the more the better. And the best service that we can possibly provide. In terms of being

able to use, whether it's bus rapid transit or light rail, I've got experience in both of those modes. There always are locations with on either the bus or with light rail that you've got for people who have got packages or suitcases or things of that nature. So those things are taken into account in what you're doing when you're going with those modes. It also would be with autonomous. We'll make sure we address the issue for the small circulators in the neighborhoods.

>> Great. That makes me want to take it more often. That and connectivity, if I don't have to walk two miles to a bus stop.

[5:21:09 PM]

That one.

>> Could we get a copy of this powerpoint as well sent to us?

>> Sure. We'll do that.

>> Thank you.

>> Thank you for that presentation. And I'm wondering if we should, because it's such an important topic, I wonder if it would be okay with you to make this a standing item on our agenda, just to get updates?

>> Of course.

>> We'll do that. The last item is real quick, it was the organization, mainly of our agenda where we could just -- we did our strategic plan and from now on to get -- if somebody wants something on the agenda, get a co-sponsor and then we'll have like a list of what strategic outcome it aligns with, if everyone's okay with that.

>> Should we send those requests to Katy?

>> Yes.

>> If you can reach out to like whoever your co-sponsor would be and me and [indiscernible] Want this on the agenda. I think Cynthia has the example that aligns with whatever strategic.

>> And you should have it also in your back up, in the packet that you have there.

>> Another question is where does all of this material reside? On this website?

>> City of Austin.

>> Can you send a link to everyone as well?

>> Because I have looked for it before and I haven't found all the materials. And it's not updated and that kind of thing. So I know that's an extra job for you, but it really would be helpful if we could just keep all that material in one place and so we can go back and look at it and that kind of thing. Thank you.

>> Is this like this right here, this is all public information, right?

>> Correct.

>> Could it be posted on the regional affordability --

>> I have already sent it over to the clerk's office. If we don't get the presentations before, it has to go through the clerk's office. I have sent it over already to them today.

>> I was looking through these, they get a 404.

[5:23:12 PM]

It hasn't been posted yet, is that what it means?

>> It's been sent to the clerk's office but they're the ones who have to post it.

>> The only other future agenda item we discussed so far was the private land, to move that. And to talk more about the aid opportunities for affordable housing on aid land.

>> We did ask for a compliance update on affordable housing.

>> Compliance updates on affordable housing.

>> And then is the --

>> The bonus programs.

>> Probably density bonus but whatever the other compliance aspects there are for the affordable housing. And is the eviction item a standing item? Or is that something we need to put a --

>> It's a standing item.

>> It was a standing item.

>> Okay. And so if we have something related to that or if we know of something that's going on we should just notify you all coordinate with you for any kind of presentation?

>> Sure.

>> One more, the anti-displacement task force final report is coming out Tuesday the 27th, 9:00 presentation to the city council. There are a number of recommendations related to affordability. In fact, it's probably five or six pages long, density bonuses on there. I would recommend we get a copy of that once the council has looked at it, and then we can start looking at things we perhaps can advocate for, talk to council about, talk to our regional groups about, because it covers the entire spectrum of what we've been talking about. It also -- it doesn't specifically include transportation. But it includes all of these other tools that we've been talking about. So I think it would be a valuable document for us to look at. Pardon me?

>> Do we get a briefing on that?

>> Sure, we could get a briefing on that. I say that. The co-chairs I think would be willing if they have enough advance notice.

[5:25:17 PM]

>> As it relates to the density bonus, could we get the statutory basis for the program? I'm interested in compliance because I understand some aspects of the density bonus program are not mandatory. We can have agreements and get all the way to the end of the agreement. And then back out of that agreement. Let's determine what is statutorily mandated and then see who has complied with and who has not complied. Who's backed out of the agreement. It would be good to know that.

>> And maybe get to have a density bonus 101.

>> That would be great.

>> There's different programs for different parts of town too.

>> Yep.

>> And I know there's been a lot of discussion on recalibrating those.

>> All right. That's it. We are adjourned. Happy Thanksgiving. We are adjourned at 5:33. Thank y'all for being here.