

Housing and Planning Committee Meeting Transcript – 08/13/2019

Title: City of Austin

Channel: 6 - COAUS

Recorded On: 8/13/2019 6:00:00 AM

Original Air Date: 8/13/2019

Transcript Generated by SnapStream

=====

[10:13:04 AM]

Because I think it was important to do this ldc revision, we're planning not taking up the feasibility conditioning resolutions -- that item, which I think is item number 5, I think we're just -- I think trying to fit all these into one meeting would not do justice into all three items. So we will start out with approval of the minutes. Is there approval of the minutes of June 11th? Moved by vice chair Ellis, seconded by councilmember Renteria. Any objection? Okay. We'll approve those by acclimation. Then we'll call up citizen communication. If there's anybody to speak on items not on the Joe Biden,

[10:14:05 AM]

although the land development code item is listed as a briefing, which means you can't sign up on it, I know there are people interested in it. If there's somebody interested in speaking on that in citizen communication, we're open on having that as well. Anybody here to speak? Just to listen and then speak to us later. Was that a raised hand? Come on up. Sorry, I couldn't see you behind the TV. >> [Off mic] >> Casar: We're running this thing old school today. >> Okay. >> Casar: So if you'll just state your name and we'll give you three minutes. >> Thank you chair and members of the committee. I'm Stewart Harry Hirsch, or stu from district 2. I'm here for a history lesson morning in the context of your conversations today and the council meeting last week.

[10:15:05 AM]

In 1940, Austin, Texas, ten years after it adopted its first zoning regulation, had greater density than Austin, Texas has today, specifically when -- specifically when the imagine Austin comprehensive plan was adopted, and you can see on the pretty color pictures I gave you that the density per square mile,

people per square mile in 1940 was 2050, and when we adopted imagine Austin, it was only 2757 so we've actually gone backward on density since 1940. The other highlight for you that I wanted to bring to your attention, because involvement of market rate developer is going to be key to us achieving the 60,000 household goal that's in the strategic housing plan, is in a piece out of my latest play. I've written 12 of them.

[10:16:07 AM]

First one was called Austin in denial. This one is called Austin is still in denial, which I hope to perform like I did my other ones at Hyde park theater in January. And it highlights an event a hundred years ago that I suspect most of you don't know about. Austin, Texas, Thursday August 22nd, 1919, the New York times reports that John schlaedy, a white man, associated with the association for advancement of colored people, was severely beaten and placed onboard an out board train. Judge David J. Be pickle claimed he had been inciting negroes against the white and warned to leave Austin. Judge pickle said he and Ben pierce had tacked him. Quote, I told him that this action, we're inciting the negroes against the whites, would cause trouble, and warned him to leave town. I told him our negroes would

[10:17:07 AM]

cause no electric you believe if left alone. Then I whipped him and ordered him to leave because I thought it was in the best interest of Austin and the state. That attack occurred under a Driscoll. There were a lot of articles about the 1928 comprehensive plan but you have to understand the events in 1919 when Texas had more members and more chapters of the national association for the advancement of colored people than any place in the united States, Texas led the nation in naacp members, that we were at a point after World War I where we could have been better and chose not to be. And your job, as I understand it, is to make the place better, and I know you're committed to do that. So next week your council meeting will be on the hundredth anniversary of this meeting. The statesman has it in their archives. [Buzzer sounding] The times does as well. I thought I'd bring it to your

[10:18:09 AM]

attention. Thank you very much. >> Casar: Thank you, stu. While we don't have an invocation at these meetings, I thought that was a useful invocation. So I appreciate it. So next we will bring up our land development code rewrite team on a briefing of the rewrite of the land development code revision. >> All right. Good morning, councilmembers. >> Casar: And right before you get started, I mentioned this to the members here, but we are going to be going -- we are hoping to just have you run through the presentation without us interjecting the questions so that you can use this presentation in the future,

and so we'll save our questions until the end. >> Thank you. Good morning, councilmembers. My name is unique bodet, I'm can several members of the

[10:19:09 AM]

development team. Several other team members are available for later in the presentation as questions arise that might be best for them to answer per their subject matter expertise. So first order of business, I'd like to go over the timeline. Over the last year, council, the city manager, and staff, received a lot of feedback on the previous process, which led to multiple city council meetings, which led to the adoption of the may 2nd policy direction to guide the development of the code. Since then, a multidisciplinary cross-functional team has been assembled by the city manager's office, team of staff, and we've been hard at work since may 2nd. Key to the land development code revision is the testing of ideas in service to the council policy, as well as continued work with the community. To that end, the team held an internal testing session in late July, so that was a major milestone that just

[10:20:10 AM]

passed, and we continue to meet with a diverse array of community members. The internal testing included testing of both commercial and residential sites, in common scenarios, such as shallow and deep lots along major transportation corridors, as well as small and large lots internal to neighborhoods. Also in the realm of community input and in-service to council direction, we have carefully reviewed past boards and commissions recommendations made on the code to inform our work, including a review of multiple equity-focused reports. So that brings us to today. One of two committee -- council committee meetings that will happen in August. We're here today with you all and we'll be with the mobility committee on the 21st of August. Looking ahead, we plan to have a staff recommendation released on October 4th that will include a revised

[10:21:10 AM]

code proposal, as well as a map, and that will be an online release. Following the release in October, we plan to hold office hours whereby residents can come, speak with staff members about individual properties or any other aspects of the code. We also plan to have at least one open house, which will be an opportunity for community members to ask questions holistically about the code, because as we know, the code covers zoning, but also various other non-zoning regulations that all work together to improve our community. Finally, as I mentioned earlier, testing regulations is an important part of the interim process of the code, and in October we will also hold public testing that will include -- we will invite design professionals such as engineers, architects, and land planners to assist us with the public testing. In late October, before the

[10:22:10 AM]

planning commission hearing, which is scheduled for Saturday, October 26th, we plan to issue a report which we hope will be considered similar to the Austin strategic process, there's a lot of iterations that happened after the staff recommendation was released, a will indicate, you know, what we agree with or what we recommend the planning commission will consider with their recommendation to you all. So we anticipate council to have their public hearing use, public hearing in November, and then followed by first ordinance reading in December. So now to the topic of the briefing. -- Council's direction on May 2nd was four areas, housing capacity, missing housing compatibility and parking. Today's briefing will focus

[10:23:10 AM]

specifically on zoning as it relates to housing capacity. So I'm going to hand the presentation over to senior planner Lindy Garwood, who's going to brief the committee specifically on zoning categories, how we're handling residential uses along corridors, the preservation incentive, information on how we're handling accessory dwelling units and complexes, how we're handling single-family and multifamily Zones, and then Mr. Lloyd will talk about changes to non-conforming regulations specific to single-family uses. With that I'm going to hand it over to Lindy to go through our specifics. >> Thank you, anique. Thank you, city council members. I'm Lindy Garwood, a member of the planning and zoning staff. I'm here to present a few of our recommendations related to zoning. In your May 2nd directive, you instructed that the new

[10:24:12 AM]

Idc should focus on the size and scale of the built environment and relating uses through policies that are clearly identified in the code and applied equitably throughout the city instead of by lot zoning regulations. In the current code, zone categories are based on separating uses. Residential here, commercial here, office over here, and then overlays were added over time that allowed mixed use, such as vmu. In our previous effort, we created zone categories that promoted mixed use in context, development, main street and mixed use. In our effort today we plan to carry forward those draft 3 categories but simplify them with fewer Zones within the zone categories themselves. The effect of this change is it'll be more intuitive and simplified with context-sensitive -- with context sensitivity that allows us to provide the code more consistently across the city and less

[10:25:16 AM]

reliance on bilat zoning regulations. Sorry. Thank you. So as a refresher, in reference for the future slides, here are the zoning categories that were developed in the previous effort that we're carrying forward today. Residential house scale, which allows house scale buildings with varying amounts of residential units. Residential multiunit, which provides a transition between the low density residential house scale and high density corridors which have mixed use and main street. Mixed use, which by its name, allows a mix of uses, including office, housing, employment, services, and amenities. And then main street, which is really centered on transit centers and walkable areas, offering connected housing with jobs and amenities. There's also commercial and industrial zone category, and other, which includes things like public, park, agriculture, aviation, things like that.

[10:26:18 AM]

You directed that the new code should prioritize all types of homes for all kinds of people in all parts of town in a development pattern that supports 50/50 transportation mode share by 2039, as well as we should propose options for prohibiting uses along corridors that displace potential housing opportunities, such as self-storage facilities and other uses that do not contribute to the overall policy goals. As previously mentioned, our current regulations separate our uses so that many of our base zoning districts don't allow residential on our corridors, which are primarily zoned commercial. Therefore, the commercial Zones do not promote housing or walkability as they are often auto-oriented and separate in their use. In our previous effort, we analyzed over 4,000 conditional overlays to find patterns and themes of where things were permitted and where things were not, and then created zoning districts that harmonize these to restrict commonly

[10:27:18 AM]

prohibited uses in the conditional overlays into context-sensitive districts. We're continuing the effort we had previously done but prioritizing uses that support communities in everyday services to promote residential on our corridors. You also directed that the preservation incentive should be expanded citywide so an additional unit beyond what would otherwise be allowed is allowed with the preservation of an existing structure. And if an existing affordable home is preserved, the balance of the lot's entitlements can be used to add dwelling units. You also asked that we identified implement opportunities thorough U.T. The code to encourage preservation of existing housing, especially market rate affordable. In our current code, this incentive does not exist. This was a branch-out of the previous effort, where if you had a house that was ten years old or -- ten years old and you preserved that,

[10:28:19 AM]

you could add an accessory dwelling unit and it wouldn't count against your F.A.R. In today's effort we're continuing the preservation incentive and expanding it to more Zones including multifamily Zones where you can exceed the F.A.R. Limit to achieve additional units. We are currently working to implement council's direction related to allowing additional units beyond what's permitted within your base zone. The effect of this change is that the preservation incentive is expanded to preserve an existing structure while also providing more housing capacity and diversity across the city. Council also directed that we allow accessory dwelling units, also known as ads to be both external, internal, and attached, and to be permitted and more easily developed in all residential Zones, as well as to create measures to

[10:29:20 AM]

disincentivize the demolition and replacement of existing housing with a single larger housing unit. Under current code, ads are loud in most Zones but complicated to build with many restrictions on placement, use, and who can live there. Duplex and Adu is a very narrow defined term. Under previous effort, we clarified where ads were permitted, to simplify regulations for more complex complexity of ads, they can be internal, attached, external, and duplex was simplified. We're increasing the flexibility by allowing at least two dwelling units in every house scale society. If you have r2, residential2, which allows two units, you can have a house and an Adu or you can

[10:30:20 AM]

have a duplex. Because the built form of an internal Adu is so similar to that of a duplex, we are allowing duplexes everywhere that we're allowing ads. This will simplify regulation, as well as increase flexibility for homeowners this wish to add more units to their lots and allow more units in more places, this ultimately gets to council's greatest goal of more housing throughout the city. With that, I'll turn it over to Brent Lloyd to discuss single-family uses in multifamily Zones. >> Brent Lloyd, development officer. Thank you, councilmembers. I'm going to talk about the treatment of single-family uses under the code, and particularly in transition areas where the goal is to encourage higher unit residential development. And to start off, I think the key council direction to keep in mind is in your may 2nd document, you said to the greatest extent

[10:31:20 AM]

possible, the code should include restrictions that provide properties zoned for multifamily will develop with multifamily and not with single-family uses. This direction recognizes that a proliferation of new single-family uses within the transition areas could work at cross-purposes with the goal of furthering housing capacity within those areas. The treatment of single-family uses in the city of Austin under the current effort is intended to encourage multiunit residential. This was a consideration in draft 3 as well,

and it relates more broadly to the concept of non-conforming uses, which I'll talk about more in a minute. The key thing to keep in mind as we discuss our proposal for the Idc revision is that existing single-family homes will not be non-conforming uses. We've developed an approach drawing on the experience of other cities that I think

[10:32:22 AM]

allows for furthering council's policy objectives, while at the same time recognizing the investments that existing single-family homeowners have made in their property. So kind of to give us a little bit of history, under current code, single-family uses are allowed in all residential Zones. And that's different than, say, commercial uses. Commercial uses are not allowed in all commercial Zones. But for our residential Zones under current code, single-family is allowed essentially everywhere. Draft 3 introduced some restrictions on that single-family under the prior effort were restricted in some residential multiunit and mixed use Zones, and in all the main street and regional center Zones. The potential revisions, which we'll discuss more in a minute, would prohibit new single-family in the transition areas, and that's a much -- a broader prohibition on new single-family than existed

[10:33:22 AM]

under draft 3. And -- but it would allow, as I mentioned, existing single-family homes to avoid the categorization of non-conformity, and it would give them greater rights than others -- than non-conforming uses have. And we believe that the -- this supports the goal of emphasizing multiunit residential development in the transition area is well-protecting rights and investments of single-family homeowners. So I want to introduce now the category of compliant residential use, and the key council direction to keep in mind, as I discuss these points, are in your may 2nd document, you said that remodeling or adding additional units should be very simple, so that it's much easier to preserve an existing home than to tear it down and replace it with another larger structure. Make allowances for existing single-family structures that would become non-conforming to be maintained, remodeled, and potentially expanded, so

[10:34:22 AM]

long as they are not demolished or substantially rebuilt. And so the key concept to keep in mind is legal non-conformity, and that's basically just a concept that's common to really all zoning codes around the country, and that's when you have a use that was legal when it was built, but your regulations have changed and you would not be allowed to do that use today. And the goal of regulating non-conforming uses is you allow them to continue, but you limit investments. You limit the degree to which the use can be expanded, enlarged. Sometimes the restrictions, past restrictions have focused on the actual costs of

remodels and that sort of thing. And the ultimate goal is to phase out non-conforming uses. Draft 3 made some structural changes to how we regulate non-conforming uses, but it didn't create any sort of special allowances or relaxed standards for

[10:35:23 AM]

single-family homes. The potential revisions -- the revisions that we're proposing in connection with the Idc revision would allow single-family homes that would otherwise become non-conforming in the transition areas, it would allow them to continue and be maintained, and it would also, unlike a non-conforming use, it would allow substantial expansions and enlargement of those existing single-family homes, consistent with entitlements for other single-family homes in areas where they're in an allowed use. So it basically would -- if you have a single-family home in the transition area, under staff's proposal, you would be able to add onto it and do all the things that you would normally be able to do if it were an allowed use. You can also do an Adu under the standards that Lindy discussed. I think the only difference would be that no new single-family homes could be built, and if you completely demolished and tore down the structure, there would be

[10:36:23 AM]

limitations as well. We would want to see, consistent with council's direction, the transitions developed with higher unit products. And so in closing on this issue, we would just say that the proposal that will be coming forward, we feel, balances all aspects of council's direction as it parties to single-family in the transition areas, and it recognizes as well that in areas of town where missing middle housing exists and has historically existed, it has done so in close proximity to single-family residential, so the two are obviously structurally compatible and compatible in character, and so we -- that will be our proposal, and I'll turn it over now to Peter, who can hopefully tie things up. >> Good morning. -- I'm peterpark, working with staff. It's my privilege to be back with you working on this rather ambitious project. I've had some experience

[10:37:24 AM]

working on the project. [Laughter] And I can say that working with the staff the last few weeks, two significant different things. Number one, the council direction that was provided is enormously helpful, and as I'm seeing and watching the progress of the work, having that guidance has been really terrific. It's been a god-send in terms of being able to establish and refine the code. The second thing is, the interdepartmental coordination that I see happening, unique mentioned the benchmark testing that we did. And just in terms of the contributions and how staff across departments have thought about this and how they have identified where some of the conflicts might

[10:38:27 AM]

exist, the engagement of the staff in production of the code is significantly different and much better. So I would say that, you know, this work has always been guided by how do we make a better code. Right? And as we look at the changes that the staff have been working on, the base reference, we just always want to remind folks that the base reference is, how does the change make an improvement from what you have today. Right? And so as you saw in the format of the slides, we provided the description of, well, what's today and what's the proposed change and how they're different, because we think it's really going to be important for us to understand. There's the ideal of the ideal code, but -- and then there's the making sure that we're doing better than you are today. Right? And so our focus really is, obviously, a better code. More important, it's the outcome of a better city

[10:39:28 AM]

that you aspire to. And so with that, we look forward to answering any questions and engaging in a discussion about the materials. >> Casar: Thank you all. I really appreciate it, and it seems very clear that council direction that we worked so hard on has set us on a path of some -- of some clarity, and I'm excited to see what you all publish and produce in October and hope that over the coming weeks, we can start doing things like this so that people can see the product that's being created and where it is that we're headed so that in October, I don't think there are going to be any surprises because it seems very clear that most, if any, surprises have already given up in may -- is that when we did -- or June? >> April. >> Casar: April? With that document, it felt like it could have been a whole year working on it, or

[10:40:28 AM]

seven, so I appreciate everybody's hard work on that, in implementing that. Are there any questions here from the committee? Councilmember Flannigan -- or vice chair Ellis and councilmember plan. >> Ellis: Sure. You talked about an interdepartmental collaboration. Can you talk a little bit about collaboration with the transportation department? I like your term of main street and kind of knowing there's going to be some places where there's going to be more transit and more density as we directed in that document. >> Sure. Anique bodet, I can respond to that. So in another life I play assistant director at the transportation department. So, yes, we have been, since may 2nd, collaborating with capital metro, specifically, but also there's a lot of the aspects of the transportation chapter. But I'll first speak to units and housing capacity, as it relates -- because that's the subject today, but as it relates to transportation. So as you know, through the

[10:41:32 AM]

asmp process, through cap remap and also project connect, there's a close tie to what's going to be needed in the future in order to continue to improve the reliability and frequency of transit, as well as increased use of other modes, which is our 50/50 mode share goal. So we've met extensively with capmetro planners trying to understand what is the minimum amount of densities that we need on the transit priority network that was adopted with the strategic mobility plan, but also looking to the future of what are the feds going to be looking at, federal transit folks, with regards to any grants that we may be seeking to help us with the funding of improving our transit. So that work is continuing closely with the planners and the group that are doing the land development code revision, as well as with capmetro. >> And I would just add, in the interest of easting these opportunities to kind of daylight all the issues

[10:42:32 AM]

that will be coming up when the code publishes and things we'll have to talk about, is that we're also looking at, in the code, how transportation impacts are analyzed in connection with proposed development applications, and the tools the city uses to require developers to make contributions to the transportation system to mitigate the impacts of development on traffic and on the city's multimodal transportation goals. And so there's a lot of procedural work that's going into the code to coordinate those efforts and to ensure that transportation impacts can be considered in development review, but also with a recognition towards the upcoming street impact fee discussion, which very much plays into holistically, any consideration of how we're dealing with transportation impacts, and just also the levels of complexity that can occur when development applications are subject to different levels of

[10:43:32 AM]

sometimes complex reviews. So all those issues are on the table, and there will be, I think, reasonable focus changes proposed in each of those areas as well. >> Ellis: That's great to hear. I know we've had some zoning cases some before us very recently where we've talked about quarter mile, half miles, and how close they are, so I think there's sometimes we get zoning recommendations that are kind of leaning on different versions, and I think we're trying to create a pattern where it should be a little more expected, like what we're looking for, that we want to have high capacity transit, we want to have dense housing along those corridors, so I think this will help get us the rest of the way. >> Yeah, I will add, to mobility committee, we plan to come prepared with information on the build-out on the sidewalk network in the transition zone as well, that we're looking at data with public works to assure, you know, as we look at parking, the parking directives, to ensure that we're really looking at all

[10:44:32 AM]

the moving parts together as we -- as we change regulations. >> Ellis: Uh-huh. That's great. I know we also just let capmetro have a little more funding to build out the rest of their sidewalks, too, so thanks. >> Welcome. >> Casar: Mr. Flannigan. >> Flannigan: So I am really impressed by this concept, I think that's just genius to address what I think the council's intention always was, but was very hard to define. I think that's going to really help the community understand how these exchanges are going to impact, so thank you for that. That's really, really good. My main question is the difference between mixed use understand a main street. And I found that difficult to are a particular late when that concept was introduced before, and so I'm -- I still don't understand the difference, conceptually, between those two types of categories. >> Yes. Thank you. Lindy Garwood, planning and zoning. We have taken an effort to make that clarity stronger

[10:45:34 AM]

in the newest -- the newest Idc revision that we've been working towards, because I agree, it was more confusing and complicated in draft 3, and there was less nuance between them. So we've been working to kind of create that clarity in the future. Basically, the mixed use zone, you can -- you have your -- you have a wealth of options. You can have purely residential, you can have purely commercials you can have a mixed use. It builds an intensity from the lowest mixed use to the highest mixed use in both uses, and entitlements, and allow -- it could have everything from a -- an apartment building with a ground floor retail to a big box store that has -- you know, that's purely like a regional shopping area. So there's a lot of breadth of where mixed use could go,

[10:46:34 AM]

a lot of flexibility; whereas main street, we really wanted to create a very pedestrian and walkable environment, center it towards nodes and corridors that were -- that were going to be built out with the transit systems. And so that would have a required ground floor pedestrian activity to where -- and we've expanded -- or we're proposing to expand what that pedestrian activity would qualify as, but it would have a required ground floor activity, and then the upper floors could be either commercial or residential. But it would -- it also has a maximum setback, so it has to be set up towards the street to street a more vibrant streetscape, there's just more formal codes that would happen within the pain street zone to really embrace and cultivate that pedestrian atmosphere that we're really working to

[10:47:34 AM]

create; whereas the mixed use zone is really kind of the flex zone. It applies to a lot more places. >> Flannigan: So it sounds like the main street so then is like a tod but without an overlay, designed to translate development but opposed to additional requirements or chapters like we've done in the past, is that a fair assessment? >> Yes. >> Flannigan: Okay. Thank you. >> Mayor Adler: Mr. Renteria , did you have a question? >> Renteria: She covered it. >> Casar: She covered it. Great. Just to think -- I want to emphasize what councilmember Flannigan said about the -- about non-conforming versus compliance Zones to address the single-family house issue to just really make that really clear then, if somebody asks if -- if I -- a person might understand we want to add missing middle housing, if their lot is then zoned for missing middle housing, what you're saying is going to come out in the new code, that person

[10:48:36 AM]

could still remodel their existing home, they could still add space to their existing home if there's space to add to it, they could even add an Adu, then us zoning missing middle would not prevent an existing homeowner who happens to home a single-family home from doing those things. And so if anybody -- if anybody -- because they may not know all the details of what we're working on, says that if you're zoned missing middle, you won't be able to add an Adu or you may not -- you won't be able to remodel your house without tearing it down, we can say generally the answer to that is, that's not what we're doing. >> That's correct. The proposal that comes forward will allow existing single-family homes to utilize all of the entitlements that would be available if they were just a plain allowed use, by just -- by way of a little additional history, I do want to flag for you all the fact that our current code has a provision that says that -- and it's not

[10:49:37 AM]

specific to single-family, it's just a general few sentences in the code that say that uses that existed on a certain date in 1984 are complying or conforming even if they wouldn't meet today's code, but that provision doesn't really give any detail, and it's been very difficult for staff to make sense of that in terms of how it applies, does it mean that you can expand, even if the expansion doesn't meet turn the code? It really just doesn't provide any guidance. And so the provisions that we're going to be bringing forward will clearly delineate what the entitlements are and specify what's allowed, what's not allowed, and with a goal towards protecting the investments of existing single-family homeowners and allowing those properties to continue enlarging just as if they were an allowed use. >> Casar: Then the idea being that if an investor purchases the home, existing family homeowner decides

[10:50:37 AM]

that they're going to sell their home, as many folks do, and then an investor decides to tear it down, they can't go back in and build a really big single-family home in that area that we've designated where we want more missing middle, smaller housing types. What they'd have to come back and do is do something that is more compliant with the zone, which would be smaller, most likely attached housing types, as opposed to the big, single mcmansion. >> That's correct. >> Mayor Adler: Mr. Flash flood warnings you want to -- >> Casar: Fill Flannigan, you want to follow up? >> Flannigan: Yes. When we think about missing genetication, we're allowing a broader part of the city to have options available to them, when all these neighborhoods are turning over, and they all will, some are new like in my district, where additional homeowners, there's homes being built in new, sprawl style developments, but folks who are taking advantage of selling their homes are the

[10:51:37 AM]

ones who didn't want to live there anyway, they had a death in the family, they got a job in another city, the regular type of turning over of neighborhoods, but the folks who don't want to leave, who do want to stay in place, have more tools at their disposal in order to maintain and leverage their properties in those neighborhoods. I think it's a really exciting thing to see that applied properly. >> Casar: Including this piece where we're going to be looking at whether they can add an additional unit beyond what they're otherwise allowed to do, while staying on their land. And then the other piece that I wanted to make really clear for anybody watching was, on the accessory dwelling units duplexes slide, I thought y'all did a great job, I appreciate the clarification it says we want to allow at least two dwell units in the residential scale Zones, and what I want to make really clear for folks, and I think because it's not always as common knowledge is, that you're already allowed two

[10:52:39 AM]

units in virtually every residential zone that I can think of, it's just sometimes really hard or complicated to do. But I want to make it really clear for folks, my understanding generally of the residential Zones as we know them today are sf-1 through sf-6 and mf-1 through mf-6. There are people with single-family houses zoned mf-1 through mf-6. If they're zoned mf-1 through 6, my understanding is you can add an Adu -- you're not banned from adding an Adu to your property in those six category. Right? >> Yes. >> Casar: So you're allowed to do that in those six. Then sf-3 through sf-6, you're currently allowed to add an Adu. In sf-2, you're allowed to add an Adu, but your lot has to be really big or you have to build an Adu or seconder unit for somebody who works for you, and in an sf-1, you're even allowed to do it but you have to of a really big lot and it's really

[10:53:40 AM]

complicated to add a second unit. So just to be really clear with the community of what we're working on here is all the residential Zones as we have them today allow two units, but for a lot of folks, it would be really, really hard or really complicated to do, or we have rules like the person has to work for you, which just doesn't seem right for any day's standards. But for folks, it's not like we're making a change to say that there are Zones that did not previously allow a second unit at all, and now they will; it's that our Zones make it complicated and very different, what the rules are for adding a second unit, and now we're going to try to simplify those. Is there anything I said there that's different than what you guys are planning on bringing us in October? >> Yeah, that summarizes it. >> Casar: Okay. Just -- because I don't want the word getting out that there are some Zones that only allowed one unit that now are going to allow two, given a actually all of our Zones have always allowed two or more, it just (by

[10:54:40 AM]

atty4) Pretty complicated -- about how you get there. >> Flannigan: For better or worse, none of this includes deed restrictions. >> Casar: That's right. >> Renteria: I do have a question. First, I want to welcome you back, Peter. >> Thank you. >> Renteria: I know when you got off the airline and felt this weather, you said, wow, what am I getting into? >> Yeah, you type it pretty warm here. >> Renteria: We like it hot. But my question is, you know, in the previous adus, you have a lot of restriction, especially with parking. When I built mine, I was -- I couldn't build restrooms and showers on the bottom part where the parking garage was at. Are we going to relax those type of rules also in this new code? >> Yes. So in the previous work, we had reduced the parking to zero for an Adu. Throughout the city, not just within a certain distance of the corridor. And then we also relaxed

[10:55:41 AM]

where it could be, whether it could be internal attached, external, it was very flexible. You could even turn your existing house into an Adu and build a second unit as your primary house, as long as your first house was under the threshold size limitations. In draft 3, the size limitations were based on your size of your lot, and in an effort to really simplify and make the Adu provisions really clear to everyone, we're actually recommending that we simplify that further and just allow 1100 square feet for all adus regardless of your size of your lot. That way it's just one uniform size and people don't have to have concerns about what's allowed on their lot. We've also, in the previous draft, there was restrictions on what size -- or how much square footage could be above the ground floor, and in an effort to provide flexibility for the lot and really make an

[10:56:44 AM]

architect's job easier trying to fit all the different units on a site, we're recommending that we remove that restriction to where you could put the entire Adu on the second story or first story, wherever it's most convenient for the homeowner. >> Renteria: Thank you. >> Casar: Were there any changes -- I know that our council direction, we said we wanted to make it easier for the Adu to be internal, external, attached, detached. I've -- generally, as councilmember Renteria heard, those different types were difficult based on the shape or size of your lot or the district your lot was in. We're trying to make that piece easier. I know in the effort from the past, we were working on that some, but I don't know whether you're just carrying that piece over, or with that direction, you're thinking, you know what, to really make it internally to use better, we're going to do this or to really have one that is attached, we're

[10:57:44 AM]

going to do that. I know it's something you already worked on, so it might just say that you're carrying over what you did, but -- >> I believe the primary change that we're recommending for that is the second floor restriction. That really limited where you could put your attached unit or your detached unit, or even your internal unit. It made it where you had to have a -- a ground floor aspect of your Adu, and now that's no longer the case, so it really can be the second floor of a house or, you know, as long as you meet the building code requirements. >> Casar: That's great. And I hope you all think of finding ways to make it so that if somebody wants to build their preservation bonus unit and the Adu at the same time, there's some way that it's clear within the code that you could file something to build both of those as once so folks aren't having to go through two sprayed processes. Say they were going to billed their Adu, then they

[10:58:45 AM]

have the ability to build an additional unit through preservation, they could do them both in the back, do one attached and one detached, whatever, I think that's not a question for now, but as you guys get closer to October, to be thinking about ways that could be easier for people. Anything else? Okay. Great. Really appreciate your time. And we'll be seeing a lot more of you soon. >> Thank you. >> Casar: That wasn't supposed to be scary. [Laughter] >> Casar: Okay. Then we'll take up our last item of the day, which is item number 3. >> Good morning.

[10:59:47 AM]

Medina, neighborhood housing and community development, and I am joined by Jamie may, who can introduce himself. >> Good morning, Jamie may, neighborhood housing and community development. >> We do not have a powerpoint presentation, but we do have some old-fashioned handouts. And you all, just so you know, this is what we're going to be referring to, this particular sheet, which I believe

we're going to be able to pull up, which is going to be hard for folks to read, but we're going to recap some of the highlights, which I think is really the important piece. We are here today to talk about -- we've now gone through three rounds of housing development assistance applications and approvals, and so talk a little bit about lessons learned and build on our conversation from the previous -- the last meeting in June where we discussed some of our challenges and the ways we're trying to address those challenges and hopefully gather some input for you all as we move forward into the new fiscal

[11:00:48 AM]

year. Just a reminder, last council meeting where I know you all went into the wee hours, that was last week, you all may recall it, we had the Austin housing finance corporation meeting where you all approved eight loans, eight of the applications that we received in the last quarterly review process. Those were for both rental housing development assistance and ownership housing development assistance and totaled a little over \$15 million in loans. We are really excited about it because it really was our first tranche of the general obligation bonds, the housing trust fund, various density bonus fees in lieu that were connected over the years, we scraped the bowl to pull together all the density bonus dollars to make sure we were deploying them appropriately per the the original ordinances, and

[11:01:49 AM]

also utilized some of our home funds as part of that 15 million. Those eight loans added to those existing portfolio from this fiscal year, which is what -- the sheet that you see up on the screen and what you see before you. Just a reminder that we -- you all approved four loans at the March 7th, 2019, ahfc meeting and eight were approved at the later meeting, then before you on this sheet you'll see a total of 20 lone star, these are 20 projects either currently under construction or about to go under construction. This represents our whole portfolio of projects that have been approved and are moving forward for this fiscal year. In total you'll see at the bottom of the sheet, this represents our investment, our community's investment of nearly \$34 million. About 15 percent of that was ownership housing development assistance and 385% was rental housing development assistance, and

[11:02:49 AM]

that's pretty consistent with what we have seen and how we have directed our funding historically. Vast majority of our funding and vast majority of need we are seeing is in rental development assistance. We talked last time and we're going to go over some of the challenges that we have been experiencing but we talked a little bit about leverage. One thing I do want to point out is that if you look at the total funding that we committed as a community, compared to the total project cost, the dollars that we are putting in to these projects, these affordable housing developments, represent about 20% of the total

project cost. So we're doing a pretty good job leveraging our dollars and bringing additional sources, whether it's private or other public sources, foundations, grants, a variety of different resources to the table. The average cost per affordable unit, just for the affordable units, and again, our affordability goes 30, 40, 50% for rental

[11:03:50 AM]

housing and up to 80% mfi, the average cost was a little less than \$60,000. In terms of meeting our council priorities, we are tracking that through the strategic housing blueprint, as well as sd 2023, and we are meeting, and you'll see this on the table before you where we break down the units that are at 30%, 40%, 50% mfi, we're meeting our deep affordability targets. We are meeting but can always do better, and I'm sorry, councilmember Flannigan left, we can always do better in terms of our geographic dispersion. We are working on that but I will note on all these 20 projects, you see districts 1, 3, 4, 7, and 9 represented, and so we are working hard, and there are different strategies we can undertake to get -- to get more affordable housing in different districts, and we are working on that, can talk about that in a little bit. In terms of council

[11:04:52 AM]

priorities, family-friendly units, we've exceeded our goals related to what we say are multi-bedroom units, two bedrooms or more that could presumably support a family, and electricities housing, we have goals per the strategic planning blueprint, ensuring housing is getting built within a quarter or half mile within corridors. We're excited those goals are out there and the development community is responding to those in terms of bringing forth projects that meet those goals. The challenges, this is going to be somewhat of a recap from our June meeting and jump in when you have questions, and then we can kind of talk about direction going forward -- we presented six kind of challenges that we were experiencing at the last June meeting. We talked through some ways that we feel like we are going to be addressing them. The first one was big asks/lower leverage. And this was just something

[11:05:53 AM]

that, again, starting in January, we put forth a new application, we have a new process, and one thing we had experienced -- had experienced were higher asks than what we had historically seen. We talked about this in June. Nothing has changed. There are a variety of factors that make that reality make sense. One is changes to the tax code, you know, that have impacted our low-income housing tax credits, essentially devaluing low income tax credits. Another is higher construction costs, higher land costs, higher labor costs, all of these things are making construction more expensive, regardless of whether it's affordable or market construction, costs are going up, and so we're certainly seeing the gap

that we're being asked to fill be higher. And subsequently, this is tied to that, lower wrench. Although, as I mentioned, when you look at our

[11:06:54 AM]

projects in total, we're looking at 4 to 1 leverage ratio, that I would argue, considering some of the constraints that we have, is a good -- is a good leverage ratio. One of the ways we are addressing that, and I would say -- and Jamie can speak to this because Jamie and his team are directly dealing with the developers, we are challenging our developers, when they come in with an application, to improve their applications. And when we say improve the applications, it is specifically related to bringing more sources of funds and reducing the ask. And, Jamie, I don't know if you want to talk about some examples of that, but I will say that's the direction we are going in. >> Absolutely. Just to recap our process, I know that we went over this maybe six months ago, but I know that you don't think about it as often as I do. [Laughter] So we have a quarterly deadline. Applications are submitted, we review the applications and verify the quantitative score, and that quantitative score is based on all goals

[11:07:56 AM]

identified in the strategic blueprint. Once the score is verified, we perform an initial underwriting with our financial analyst, we'll review the application and ensure that there aren't any glaring risks that need to be addressed. We'll then reach out to the applicant and say, here's how you rank, this is where you fall right now. We have 25 applications this round, we don't have that many this round, but we have X number of applications this round; you are right in the middle. How can you make this better? Have you thought about this funding source? How many more units can you provide? Have you looked at affordability unlocked? Can you increase the development envelope? We'll have that conversation with them at least three times, once after the initial underwriting, once again after our staff panel reviews and makes their own underwriting assessment, then a third time after the housing investment review committee reviews all of the applications and makes their deep dive. Once we've shaken each of these applications as much as we can to get the best one to rise to the top, then we'll go to the executive team, and the executive team makes a recommendation to

[11:08:59 AM]

the ahfc board. Over the last several rounds, we have been able to increase the number of units, govalle terrace is a very good example. The original ask came in after multiple conversations. They reduced the requested amount by -- I believe it was almost a million dollars, and increased the total number of units that they would provide below 50%, so they increased their affordability and reduced the leverage. And that's what we want to do with every single development that we have. Because we know that there's

room to make them better. The -- and then, as I said, the best ones will rise to the top. >> Okay. And the second challenge we discussed was predevelopment funding. We're going to talk about the current round of applications that we're contemplating right now, but we had in the previous three rounds several applications for predevelopment dollars. We denied those applications. The main reason is our concern around funding

[11:10:00 AM]

something that is essentially so early in the process, where the project is not fully baked, we do not feel comfortable, and in fact cannot put our general obligation dollars into something that is essentially that risky. So what we are asking all of our applicants to do is to come to us, kind of as a last resort. We want our projects to be well-vetted, we want additional sources of funding brought to the table, and what that means is that it doesn't necessarily align with predevelopment funding. We've approached this in two different ways. Weaver looked at best practices, really across the state and across the country, how other cities are dealing with predevelopment funding because that's not to say that particularly our smaller nonprofits need resources in order to pursue ideas and pursue different projects that they think could potentially turn into an affordable development. We're pulling together all of those -- the results of all of the different

[11:11:01 AM]

research, different entities, like tdhca, the state housing finance agency, tshac, Texas state affordable housing corporation, federal home loan bank, they all have different small buckets of funds that are available for predevelopment, and so what we're still considering is a separate notice of funding availability, specifically related to predevelopment, to give our smaller nonprofits an opportunity to pursue some potential sites that they think could result in additional affordable housing. That will not happen until the following -- the upcoming fiscal year. But one thing that we have been working on over the last six months is a capacity-building request for grants. It'll be an rfg, not an rfp, and we have set aside out of our housing trust fund, as a result of recommendations from the anti-displacement task force, we've set aside \$300,000 that will be available to our smaller nonprofits for capacity

[11:12:01 AM]

building. That could be used for training for their board, it could also be used for flushing out some potential sites that they're interested -- the nonprofit is interested in pursuing, and those grants will range, I believe, from 5,000 up to \$60,000. And that rfg should be released in September, and then we anticipate funding those successful nonprofits in the following fiscal year. Again, \$300,000. The third challenge, and it's not necessarily a challenge, it's really an opportunity that we discussed, are

partnerships. We currently have six partnerships that are active that go back ten-plus years, primarily with for-profit developers, but we do have one with a nonprofit developer, where we are the general partner or subsidiary of Austin housing finance corporation is a

[11:13:02 AM]

general partner, and the nonprofit or the for-profit subsidiary is the limited partner, and we work with them on owning -- developing, owning, and operating affordable housing. It ranges from supportive family to multifamily housing to senior housing. The value of us coming to the table in a partnership really is the fact that we own the land, Austin housing finance corporation owns the land, and thus, it's taken off the tax roll and significantly reduces the operating costs and enables us to provide more deep affordable housing. We are, when we met in June, we talked about the fact that we are interested in exploring additional partnerships. We have been approached numerous, numerous, numerous times about partnerships. We want to be really diligent about when we deploy that property tax exemption. And one of the things that we have done in this fiscal year has been approved for an additional fte, which

[11:14:03 AM]

Jamie is in the process of hiring for, and we anticipate that that new fte will be our partnership manager, will come on board in September. And that person's sole responsibility will be for vetting incoming partnerships and then stewarding our existing partnerships. I think it's crucial our partnerships are long-term, these are not things that we take lightly, and we are in partnership over, really in perpetuity, because we have the land and we lease it to the limited partner.. So that's just to give you an update. We anticipate that person will be coming on board in September and then our goal will be to contemplate new potential partnerships, which we've already been approached. Jamie can talk about in the last round. We've been approached a couple of times about partnerships from some of our long-standing non-profit and for-profit partners. I don't know if you want to talk a little bit about

[11:15:03 AM]

those. >> Sure. >> Give an idea. >> Yeah. One of the major benefits of the partnership is again that taking the land off the tax rolls. We have multiple levels of engagement in any partnership. Either we can just have a ground where in we hold the dirt and the developer holds the structure itself. Having us as the general partner means that we can actually take that structure off of the tax rolls. And then reply those funds back into deeper affordability, long-term affordability and services for the tenants. We've gotten at least two serious requests for partnership in the last six months. I say serious because a property was identified, a number has been proposed. We haven't engaged in those conversations fully

yet because we wanted to wait until our partnership manager comes on so that they can be part of that conversation at the beginning and not jump in halfway mid stream. Managing those future

[11:16:04 AM]

partnerships, as Mandy said, is part of it. Making sure that our existing partnerships are fully functioning and that we are well engaged in that structure is going to be a major aspect of that roll. We want -- of that role. We want to ensure that not only do our property owners know who we are and that we are part of the deal, but we also want the tenants to know that we are here for them and we want them to live in a healthy, safe environment. That we are responsible. So it's a large task and we really wanted to dedicate one person to that because it is such a large and important task. >> So the next challenge was what we loosely termed double dipping. And that was we had a couple of applications and we anticipate, frankly, more in the future where we had developers who had received increased entitlements as a result of a zoning change. And in exchange had promised

[11:17:05 AM]

some level of affordability. Typically in conjunction with either a neighborhood association or a separate non-profit organization. And then came to us for additional funding, to fund that affordability. I will say we were -- this resulted in multiple conversations with multiple council offices about how we were going to deal with this because we didn't have any explicit prohibition against this. But it just didn't feel good to many of us. And what we talked about at the June meeting was really at the point of zoning, clarifying with the applicant whether or not this was in fact with or without anticipated city subsidy. And I will say last Thursday night in the wee hours of the morning, I can't remember, there was a situation where, thank you, councilmember Casar, when an applicant did present regarding a zoning case. You were very explicit about

[11:18:07 AM]

will this require any future subsidy, and answer was no. We have that on record. This is a zoning case where there is a promise of affordability and it will subsequently have nothing to do with our funding, which I think is important to get out there early on so we're all clear and all operating off of the same playbook. Do you want to handle the next one? Loan structure. >> So currently all of the loans that we issue are deferred forgivable. And they expire at the end of their affordability period. The majority of the loans that we issue are 40-year affordability period. In our guidelines we also have several different loan packages that we could issue. We don't at the present moment because, well, because we don't. [Laughter]. We have one loan type. We issue that to everybody and that's how it is. However, looking at additional ways to recoup some of those financing, maybe we issue an interest only -- interest only loan

[11:19:10 AM]

or a -- some other loan structure where there is a repayment aspect to it because then we can start to recycle those funds and really get more bang for that buck overall. It's something that we are very interested in looking at. We're also looking at that in coordination with other funding sources is, local funding sources, local non-profits, local philanthropic organizations. We're trying to be a resource for our developers so when they come to us we can give them as many options and help them think through the process as thoroughly as possible. Again just to leverage the G.O. Bonds as far as possible. >> And we're-- to build on what Jamie said, we're looking at -- that is an ongoing conversation and I would anticipate nothing would happen certainly until next fiscal year. Some changes to our application process we're anticipating to launch in

[11:20:12 AM]

October in anticipation of the new fiscal year, but I think it's a meatier, more complicated conversation, we want to take our time with that and we hope to come to some sort of resolution and present options to this committee some time in the next fiscal year. And then the last one is a big one, continuum of care. And this was part after conversation you all were issued a memo from our department. It was last week in anticipation of the -- the week prior in anticipation of the August 8 ahfc meeting and this is the continuum of care, housing for people who are experiencing homelessness. Part of the reason for the chart before you is to lay out kind of the different -- in addition to the different affordability levels for each of these different projects, the different ways in which we are supporting folks who are either experiencing homelessness or who are on the verge of homelessness. So I want to make clear that

[11:21:16 AM]

our program, the rental housing assistance program, is just one part of a more comprehensive strategy around homelessness. For our part we currently incentivize permanent supportive housing or continuum of care units through scoring. We provide additional scoring for units if you promise to come up with continuum of care or include continuum of care units within your development. How that happens is through an initial score and as Jamie mentioned in improving the the conversation, we have conversations with the developers and echo and they are the ones who manage the continuum of care units and we anticipate that anybody promising continuum of care units will in fact have an mou, a memorandum of understanding with echo. We want to be very clear we want echo to know what units are coming their way and we want the developer to know what they are promising because we have run into issues in the past. I will point out that the

[11:22:20 AM]

2014 psh goal, even though it's a year late, we have virtually met that goal for our 400 psa units, including 200 housing first units or what we now call the continuum of care units. As I mentioned our hda funding is one part of the strategy. But there are multiple other ways in which our department is working on housing for people who are experiencing homelessness. And I will say this is coming before you on the September 19th agenda but staff is recommending \$950,000, to noorly a million dollars from the -- nearly a million dollars from the downtown density bonus fee-in-lieu bucket from the housing trust fund for echo or our community's pay for success program. So we will essentially at least for the first year be providing the funding for the tenant based rental assistance to allow folks who echo has prioritized

[11:23:20 AM]

through their his system for housing. We'll be providing the funding for those. It's 108 people in that first year. That will be coming before you on the September 19th agenda. I also want to let you know and this was approved in our consolidated plan that we have more than doubled founding for the housing authority of the city of Austin for haca for tenant based rental assistance. We have a long-standing contract with them that operates like a voucher for about \$500,000 a year. They work with salvation Army to identify folks who are in need of immediate tenant based rental assistance and they provide them that -- using our funding, and that's through federal funds, the home program. We committed to in this year's consolidated plan, which is our five-year plan, which has already been approved by council, \$626,954 for a new contract with haca that will

[11:24:22 AM]

specifically be for folks who are identified through echo through the continuum of care. So these are folks who rise to the top of the list. Echo has some landlords they're working with, but they need the rental assistance in order to pay the rent. That's where this funding. And that comes from our department and it comes from our home block grant dollars from the federal government. We are will challenged by a variety of things when it comes to continuum of care. One is aligning our definitions, which I'm not sure that we're ever going to be able to get to a point where our state definitions match our federal definitions, match the local egg definitions. One of the reasons is the chart to highlight that out of all these 20 projects we have several projects that are providing supportive housing and they meet the state definition for people experiencing homelessness. We actually have 315 of those units. They don't meet our local

[11:25:22 AM]

definition. We also have a variety of projects that are providing what we call -- what the state calls section 811, a prior federal program for people with disabilities. There are three tax credit projects because it is essentially required, it's incentivized through scoring, but in order to be competitive and the nine percent tax credit program, you essentially have to provide these 10 units. All three of our current nine percent awardees are providing in each of their developments, 10 section 811 projects. It's a collaboration with the state health and human services commission that where essentially the developers say you prioritize the people, they have to be people who have a mental or physical disability and are exiting institutions so people with behavioral health issues,

[11:26:22 AM]

people with developmental disabilities, or youth exiting foster care and the state hands them to the tax credit developers. And then of course we have our continuum of care units as well, which is managed by echo. So it's kind of a wide range of housing for people either on the verge of homelessness or experiencing homelessness. And we continue to be challenged with how to increase our continuum of care units. We have this excellent opportunity right now, two exciting things are happening. One as you all know, we just hired, the city just hired the homeless strategy officer. Lori Pelo Harris. And she's starting September 9th. Two, echo has a brand new executive director who comes from the Colorado coalition for the homeless, a statewide coalition, who is bringing some new and fresh

[11:27:22 AM]

ideas himself. He started in early August. What we have committed to is sitting down with I think Lori starts the beginning of September and one of the first things we'll be doing is sitting down with her and talk through our coordinated assessment system, our continuum of care goals. How we are meeting and not meeting those goals and talk through some strategies for how we can in fact if it's not incentivizing units, is there a threshold for coc units, is there a requirement for coc units, what works, what doesn't work, what folks have seen. We have these experts coming from Florida and Colorado, different areas of the country who are hopefully bringing their expertise and their experience in best practices, and that conversation will happen in September. We had originally hoped to launch kind of new coc, whether it's requirements or incentives or definitions in October, but I am anticipating that because we're not kicking off the conversation until September

[11:28:23 AM]

it will be a little bit later in the fy when we launch that. And then the last item is looking forward and I'm going to let Jamie take that because he received -- this is our last batch for this video. He received those applications and wanted to give you while you all have the handout with the profile of what we have existing, Jamie has in his head what is coming up. >> It's actually on my phone. The -- so we're going to call this -- depending on when you count it it's either the last batch of this fiscal year or the first batch of the next fiscal year. Since we'll be expending the G.O. Bonds and the federal allocation for fy19-20, we have -- you can think about the applications that we have grouped into three broad categories. The first is anything that we have previously funded. The second is projects that were not previously funded, but were scored and processed through previous rounds and the third would

[11:29:25 AM]

be applications. So the first basket of previously funded projects, this is something that we wanted to get away from. We know that you guys don't want to see applications two and three times, however because of available resources and timing and different strictures, we had two projects that were partially funded and two projects that needed additional funding that were funded in previous cycles. The first is habitat, its fourth and onion project. That will probably need another round of funding. We are working with the developers on all these to bring their total ask down to ensure that we can really stretch our dollars. Also with project transition is, the burnt place. We recommended and you approved an additional funding of around two million dollars apiece. And that was intention for burnt place to help take down the land for

[11:30:25 AM]

acquisition. And for habitat to help get them over the first hurdle so they can start building their capital stack. We also have two nine percent projects will need an additional round of funding. Talavera lofts. They were awarded two million dollars on August 8. The original ask was for three million dollars in terms of strictures, in terms of available finances. They're asking for an additional million dollars. We'll try to get that number down. Also with Travis flats we are requesting an additional \$1.5 million. We're trying to get that number down as much as we can. And for those two projects that should be to get them over and get them across the finish line. Projects that were received in previous rounds that did not receive funding, we've got three different projects. The first is from foundation

[11:31:26 AM]

communities, lakeline station phase 2. That's up in district 8 and -- >> Six. >> We're working on district 8. >> I have two others, but I would like more. [Laughter]. >> Lakeline station phase 2 is in district 6. It's a multigenerational development. It's proposing 12 units below 30%, 60 units below 50% and 40 units

below 60%. It's in foundation communities and that's one of the questions we've had about ground leases or how we can be involved in that development. Mcdowell housing partners is a new player. They are from Florida. They haven't developed anything in the city of Austin yet. However, they have two large projects that they are proposing. The first is Anderson creek, a multigenerational project. They would have five units below 30%, 56 units below 50% and 30 units below 80%. We are requesting

[11:32:27 AM]

approximately three million dollars to help take down that land. And the other project, I just spoke with the representative from Mcdowell housing yesterday, we are expanding their project or looking to bring in even more units. The original request came in with six units below 70%, 40 units below 80%. Again, if they can expand that project then that would be even more units. As far as the new applications that we've received for this current cycle that we haven't seen yet, that includes two projects that were funded in previous years. The first is aha at briarcliff. We're expecting them to break ground in 10 minutes. Like any minute now. That's -- they've secured the majority of their financing. They are ready to go. That is something that we are very excited to see happen. They are requesting an additional \$300,000, and

[11:33:28 AM]

fingers crossed that's the last time that that application will come in. We've also gotten a question owe a request from chestnut neighborhood looking for the Chicon 2. They have revised their development project, gone with smaller units, changed their unit mixture and they are requesting an additional 1 point a million dollars. We will assess all these applications not just to determine how much they're requesting, but how much has been invested previously. What type of benefit are we getting? How much are we investing per unit? And for the total project. To really make sure that we are giving you recommendations that you can support. The two new projects that we had not seen, one is from Clarksville CDC. This is a small CDC. It's for a single unit. They are looking to help rehabilitate one rental unit. And we are excited when we get those single unit

[11:34:28 AM]

applications because that's where your capacity going to build for your small CDC's, for the entities that will become chodos or community housing development organizations. And this is from one of our long-standing partners, the name of the development is called diamond 42. It's a multigenerational development and they're looking at about 150 units, 51 of which would be below 50% mfi. So I think that we have a pretty solid group of applications for this cycle to review. I know that we can make some if not all of these applications better by talking to the applicant. And finding additional sources for them

to pursuant we hope that we can bring as many of these as we can as we have resources for to recommendations to you in November. >> So resources. I just wanted to recap for

[11:35:29 AM]

our 2018 general obligation bonds we looked at the kind of spend plan over the five years and we already in this fiscal year we have expended or appropriated all of our rental housing development assistance, our ownership housing development assistance and our G.O. Repair. But for the coming fiscal year we have \$30 million in land acquisition, \$18 million in rental housing development assistance. Six million in ownership housing development assistance and five million in G.O. Repair, the home repair program. This is just something to think about moving forward. Where we are seeing our biggest development is rental housing development assistance. Out of that whole 250 million we dedicated nearly 100 million, 96 of it was dedicated to rental housing development assistance. Based on need, interest,

[11:36:31 AM]

priorities in the future, I'm not saying now or this fiscal year, we may need to look at kind of those designated buckets of funds that were always intended to be fungible, but maybe moving some money from some of the buckets where we're not spending the money into buckets where we see the demand and the need and the council priority. We're not there yet. I mean, this is only going to be our second year of 2018 G.O. Bonds, but I just want to raise it as a potential issue because as Jamie mentioned and ran through the projects, on the way over here we were talking about how much money we were going to have and as Jamie said, if we don't get any more applications next fiscal year and we don't get any nine percent tax credits next fiscal year, then we could fund everything we have. But we do have to make hard decisions because even though \$250 million is a whole lot of money and we're very blessed to have those dollars as a local community

[11:37:32 AM]

but we're seeing the demand for those dollars is greater than the resources we currently have. So we're going to need to make hard decisions. Just want to put that out there. We're happy to answer any questions where we are or if you have any questions on the spreadsheet before you. We just wanted to give you an update. >> Renteria: I hope in the future we don't go into contracts with these neighborhood organizations that want to start a home repair non-profit corporations. You know, the one on 12th street with comal has been just totally requiring a huge amount of funds and I always had my doubt when they came and asked for this development because I just didn't see that they had the

expertise to develop these type of projects. You know, it was going to be a learning process. And usually when there's a learning process it's a very

[11:38:33 AM]

expensive process. >> And I think the -- I appreciate you giving us the head's up. I think there may be folks coming back for other funds. It's helpful to know that you will be pushing to keep that as low as we can and I think as councilmember Renteria laid out for us to have the ability and the space to be able to say no is something that folks need to be prepared for because it's in the broader interest of the city. I'm not saying that any of those projects are ones that I would want to say no to, but the point being that since there is so much demand that if somebody could actually bring us more affordable units at a cheaper price than somebody who is asking a second or third time, we just need to take that really seriously. I think we'll need to continue to have conversation on the coc unit issue and look forward to the homeless strategy officer weighing in on that. I think that either there's kind of two paths, one is just requiring something of, say, 10% across the board to everybody applying as they

[11:39:37 AM]

get rid of section 811 and filling in coc, or potentially laying out some goal to you since you think about it everyday to say that we want the 10% to be there overall, but if somebody brings us five and somebody else should be bringing us the 15%. So if you get us housing first oak springs type project then that covers a lot of it. And I'm just interesting in where it is that we land on that question. On the question of whether the zoning covered the affordable housing or the subsidy or both, I think it is a thing about things being explicit. If it is not up to be leaguered councilmembers making a decision, if there's something we need to do to get the staff to make that a routine part of the process. So I think it's okay for somebody to say I need a little bit of subsidy to make this work, but here's why it's great. Or the smart housing or

[11:40:37 AM]

density bonus is layered and that gets us the affordability and that's the expectation. It's not a double dip of what we wanted in the beginning. I look forward to the partnership's recommendation. I do want the folks to -- they're in partnership compared to other folks. I would want to figure out how it is we're offering partnership in an even enough way and having good expectations for that, but it sounds very exciting. I'm glad that we're bringing that person on board. I think that's the end of our agenda if there's nothing else. >> I came in late, but I had signed up. Is it too late now? >> I'm sorry, about to close out the meeting, Gus, but we'll make to sure that we're -- thank you for your patience. Thank you for coming. Sorry. >> That's all right. >> Thank you for understanding. >> [Inaudible]. >> We'll see you soon.

Thank you. All right. Thank you, guys so much and with that we'll adjourn the meeting if there's no objection. Thanks, y'all.